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AN ANALYSIS OF HUMAN RESOURCE OFFICERS IN SUPPORT OF MPT&E ENTERPRISE MANAGEMENT: A SUCCESSION MANAGEMENT PLAN FOR HUMAN CAPITAL MANAGERS

by

Derrick E. Blackston

September 2007

Thesis Advisor: William Hatch
Co-Advisor: Benjamin Roberts

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Derrick E. Blackston
Lieutenant Commander, United States Navy
B.A., Creighton University, 1997

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September 2007

Author: Derrick E. Blackston

Approved by: Professor William Hatch
Thesis Advisor

Dr. Benjamin Roberts
Co-Advisor

Robert N. Beck
Dean, Graduate School of Business and Public Policy

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I. BACKGROUND AND INTRODUCTION

A. BACKGROUND

1. Origins of Human Resources

The term human resources has been used with such frequency in public and private organizations that its definition has fragmented into multiple meanings. These meanings tend to be more convenient in adding value to the bottom line than providing the necessary processes and framework for which to invest [time, resources] in an organization's greatest asset—its people. To better understand how this term has evolved from human resource planning or staffing (HRP) to "window dressing" that organizations use on their Websites as validation for membership into management's "flavor of the month,"[1] it is necessary to briefly review its origins.

Human resources, in its early conception, enabled the public to reject traditional phraseology and meaning of the words labor and personnel. These terms tended to lend themselves to ownership and devalue employees. This gave rise to the common discourse of the late 1960s known as manpower planning. Strikingly, this term was used in federal circles as well as the boardrooms of prominent Fortune 500 companies. Still, their meanings were quite different. Within the government, manpower planning focused on occupational skill trends that influenced the work force. Moreover, it was responsible for increased worker mobility within the labor market it oversaw. By contrast, within the corporate domain manpower planning concentrated on, "…forecasting staffing needs, succession planning for senior mangers, management development, and providing data for personnel information systems to support these activities." (Burack 1983, 4) Manpower planning would evolve once more with the passing of the Civil Rights Act of 1964. New government regulations prohibited organizations from discriminating on the basis of race, color, sex, or religion. A rash of lawsuits in support of the new act and

[1] Flavor of the month refers to current business management trend: Six Sigma, TQL. In this case, it refers to human capital management.

growing pressure from non-industry leaders spurred innovation in administration and gave rise to a new form of people management—human resources would be the perfect nomenclature.

Even where manpower planning was company centric, human resources provided an avenue from which the concerns would be focused on the organization's people—job satisfaction, personnel development and competitive compensation. This spawned several divergent meanings of the term human resources. Some organizations quickly transformed themselves and focused on the needs of their employees, while others simply borrowed the new title and never changed anything. "Employee morale soared when their companies opened a Department of Human Resources or engaged in human resource activities. In the rush to identify with this new era where people took on higher priority in organizations, some units merely flipped over name plaques that said 'Personnel' on one side and 'Human Resource' on the other—it was business as usual." (Burack 1983, 4)

2. United States Navy's Human Resource Professionals

The last decade has seen corporate human resource professionals desperately seek a greater focus on the value of intangible assets and the associated trend toward strategic performance measurement systems. The success of today's company relies upon its competitive advantage, it's adaptability to a hyper-sensitive market, its ability to improve upon its knowledge management system and most importantly, the proper succession planning of senior management with the appropriate skill sets to lead the organization. In today's market, be it on Wall Street, Main Street or Army Navy Blvd., "value creation" is dominated by human capital and its ability to leverage intangible assets like brand recognition, corporate memory, innovation and good will. Ironically, "these assets being the most important are the least understood, least prone to measure and hardest to manage." (Becker, Huselid and Ulrich 2001) These cultural traits are key in the current marketplace and are just a few of the intangible assets human resource managers have laid as a foundation for their human capital architecture.

Likewise, the Navy's 1200 community (HRO) has been tasked with the development and implementation of a human capital management plan that is in lockstep with the Navy's strategic vision. Today's resource realities place enormous pressure on the Navy's enterprises. This provides an opportunity for the 1200 community to widen its focus from beyond the traditional administrative roles it has played in the past to a broader strategic responsibility. The Chief of Naval Operations needs a cadre of human resource experts who can properly allocate scarce resources, anticipate deficiencies in manpower management and align incentive programs that reflect the desired cultural behavior necessary to facilitate successful human capital management. (Cutter 2004)

B. OBJECTIVE

The purpose of this research is to critically analyze the existing systems and processes used to educate, train and prepare HROs to conduct the business of the MPTE enterprise within the United States Navy. Critical in the process is an examination of the alignment of the existing systems with respect to the strategic goals of the Navy. Finally, recommendations were made to increase the effectiveness of the process and improve its relevance to the strategic goals of the organization.

C. RESEARCH QUESTIONS

1. Primary Research Question

What is the strategic goal of the Human Resource community?

2. Secondary Research Questions

- What management/internal control system exists to produce senior Human Resource Officers with human capital management education, training, and practical experience?
- How does the MPT&E system align with Navy strategic goals?

D. SCOPE AND LIMITATIONS

1. 1200 Community (Human Resource Officers)

This thesis examines the Navy's processes used to prepare human resource officers for critical positions within the MPTE enterprise. It will produce an analysis of the job structure and population of the Human Resource community. This thesis will also cover a comprehensive analysis of career progression of 1200 officers in support of their promotion to the highest levels of enterprise management. This focus is vital to hone in on the process in order to create a cadre of senior Naval Officers with the proper education, training, and experience necessary to efficiently allocate resources in a fiscally constrained environment.

The United States Navy has always invested considerable time in the research of assignment models to optimize its resources in accomplishing its goals while satisfying the desires of the sailor.

> The United States Navy has been involved in research on assignment models of the goal-programming variety as a first step toward development of organization design models that would at the same time satisfy the needs of the organization and the desires of the individual employees as closely as possible while observing the constraints imposed by the outside world. (Bres et al 1972)

Nonetheless, previous models have always centered on a classic approach to succession management by limiting themselves to personnel job matching without adequate consideration to the development of senior leadership through a continued process of training, education and experience. This thesis will attempt to address these concerns. Moreover, the process to create these highly skilled officers is complex and challenging. Once these officers acquire the necessary skills and experience needed to fulfill the Navy's requirements they become a commodity and a liability. The double-edged sword being that they are highly desirable within the organization but are also extremely coveted and pursued by non-governmental agencies (NGO) and the private sector.

2. Existing Processes

Recommendations for improvement are limited to processes within the current Navy manpower system and provide the greatest opportunity for senior leadership to analyze, improve upon or implement as policy. Ignoring the constraints of fiscal realities and organization cultural influences serves little utility to enterprise management and would only confuse the issue, making an already complex system near impossible to understand.

3. Perspective

Analysis and recommendations for improvement of the current system are tailored toward MPTE subsections of the overall enterprise. Additionally, these recommendations will be oriented toward the perspective of major stakeholders—manpower and force shaping, personnel and policy, and training and education. This should provide potential improvements that will support accomplishment of HRO duties and responsibilities.

E. METHODOLOGY

The three major control systems analyzed in this research include the following:

1. Human Capital Billet Structure

Using the current 2007 Manpower Systems Analysis (MSA), Operations Analysis (OA), Human Systems Integration (HSI), and Financial Management (FM) billet structure an analysis was conducted to identify gaps and system failures within the primary framework. It should be noted that these are the primary core competencies associated with the Human Resource community. There are additional competencies that were not explored due to the scope and limitations of this research.

2. HRO Education and Assignment Process

To determine the effectiveness of existing managerial controls and their impact on the Navy's strategic objectives, a control system methodology was used for the analysis. Additionally, to filter bias between the actual controls and the interactions of those empowered to manage them, interviews were conducted to confirm or deny their [control levers] existence and effectiveness.

3. Military Promotion Process

The promotion and advancement of military officers in the United States Armed Forces is strictly governed by law and enforced through United States Code Title 10. This limitation and the process used to select Naval Officers will be evaluated as to its effects on the HRO community.

4. Additional Considerations

A literature review of current Navy instructions, directives, doctrine, and other available library informational resources was also conducted. Finally, conclusions were drawn and recommendations were offered based on qualitative analysis.

F. ORGANIZATION

Following this introduction, Chapter II reviews previous research pertaining to the Navy's Human Resource Officer community. Chapter III examines the structure and current succession management planning used to develop senior HROs. Additionally, analysis of the current management control levers and their impacts on the strategic objectives are presented. Chapter IV provides a broad understanding of the role of business and its use through knowledge management and education to create value for the 1200 community. Ultimately, this value creation will support the HRO's objectives and further align its human capital strategy with the Navy's goals. Finally, Chapter V

concludes with a summary of findings, including conclusions and recommendations to both alter the controls and increase the timely delivery of senior human resource experts to the critical billets needed to manage the Navy's workforce.

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II. LITERATURE REVIEW

A. OVERVIEW

The scope of responsibility and the physical structure of the Navy's 1200 community has long been a source of controversy. Even its existence has created intense debates over the past few years. In fact, Navy Human Resource Professionals have weathered countless transformation just in the last fifteen years, from being known as General Unrestricted Line Officers (GURL), to Fleet Support Officers (FSO), and now Human Resource Officers (HRO). Nevertheless, the demand for officers with specialized skills in HR strategy development and analysis remains constant. Further, never in the Navy's history has there been such importance placed on human capital management as exists today. Hence, it is imperative for the 1200 community to establish a sound succession management process that will deliver value and empower them as strategic partners at the highest levels of military force shaping. This chapter summarizes the studies completed that pertain to the Navy Human Resource job structure, as well as providing a brief explanation of the 1200 career path and an analysis of the Navy's subspecialty code system. Additionally, a review of military force-shaping policy guidelines will follow. A thorough understanding of these concepts will provide superior cognition of the necessary tasks of workforce planning, human resource analysis and personnel management. More importantly, this will be the foundation for analysis of a complex system that, at its core, attempts to satisfy the needs of the Navy and the desires of the individual sailor as closely as possible without upsetting the balance imposed by the constraints of the outside world.

B. PREVIOUS RESEARCH OF UTILIZATION OF RESOURCES

1. Mismatch of HR Billets and HROs' Requisite SSP Codes

In 2006, Lieutenant Terrence L. Jones examined the qualitative fit of specific subspecialty codes (SSP) assigned to Human Resource Officers and their subsequent job

fit to Human Resource billets. His research examined HRO subspecialty code assignment and the process involved in assigning SSP codes to specific billets within the 1200 community. Jones' study group was comprised of 183 HROs and supervisors who participated in a research-developed survey. The survey and follow-on analysis found that there exists an inadequate inventory of HR Officers to SSP coded billets. Moreover, the study illustrated a growing trend of placement officers' responding to end-user demands when filling SSP coded jobs. This has created gaps and placed considerable strain on the system because of the incongruence of HROs in billets without requisite knowledge, skills, and abilities (KSA).

Jones concluded his research, with recommendations to shore up controls and provide consistent oversight in guaranteeing Navy policy, would never be underscored by the demands of the end-user or gaining command. The data showed that a push-driven demand process would overcome the shortcomings of the current pull-driven system whereby the gaining command would not be the primary source used in assigning HR SSP codes to HR billets. Ultimately, this would help reduce cost and degradation of mission functionality and job task. (Jones 2006)

2. Low Emphasis on SSP Codes Leads to Gaps in FM Community

Lieutenant Steven H. Blaisdell's research examined placement of financial management officers upon graduation from NPS and their immediate follow-on tours within the FM community. His study zeroed in on the Navy's utilization rate of approximately 195 FM students who graduated during the period 1981-1985. Like the Jones research, Blaisdell cites loose management controls of resource utilization that led to subsequent gaps within the job placement process of the financial management community. This would have been especially alarming in the mid 1990s when the

military was heavily involved in reducing its manpower. The notion of reducing labor cost while increasing capital (providing "general education"[2]) and receiving little to no return would have been closely scrutinized.

Although the Blaisdell research is narrowly focused on URL officers and the difficulty of shaping them into financial management experts, it is important to this research in its ability to illustrate the differential in utilization rates between Staff Corps officers and their peers within the URL. He explains that this difference is due in large part to the importance placed on the SSP codes within the Staff Corps communities. Blaisdell believed the SSP codes were analogous to a warfare qualification for an URL officer. Since the URL officer's career path is limited in opportunities to gain the necessary education and experience equivalent of a SSP, it is virtually impossible to build proper succession management of FM officers at the highest levels of the community. Likewise, the 1200 community should never underscore the requisite SSP qualifications of its billets simply to fill a gap. Instead, a sound process whereby HROs are equipped with the necessary skill sets and experience prior to a demand signal from an end-user will ultimately optimize the community's resource utilization. Further examination of this theory will be discussed in subsequent chapters. (Blaisdell 1996)

3. Cost-Benefit Analysis of Naval Postgraduate

Similar to the Blaisdell thesis, Lieutenant Paul E. Borkowski conducted a cost-benefit analysis of formalized financial management education at NPS for the FM community. As stated previously, despite this research's having a narrow focus intended for the FM community, it is important to this study because it addresses the need for a defense-oriented management program necessary to obtain requisite KSA in support of a sound succession-management process. Borkowski found in his research that, after comparing costs between NPS and similar civilian universities, NPS was the best value.

[2] Labor Economic term referring to training that teaches workers skills that can be used to enhance their productivity with many employers; learning how to speak English, use a word-processing program, drive a truck, or create Web sites are examples of general training. Ronald G. Ehrenberg, Robert S. Smith, Modern Labor Economics Theory and Public Policy, Ninth Edition ed. (New York, NY: Pearson Addison Wesley, 2006).

What's more, Borkowski identified unique educational opportunities and characteristics only found at NPS and not at other schools. This is significant because the DoD is a niche market consumer that requires resources from a supplier who can deliver specific needs to its customer. Those needs could be packaged in the form of knowledge, skills, and abilities compulsory of the SSP codes for HR specific billets. (Borkowski 1994)

4. Cybernetic Feedback Model

CDR David Cutter, a Naval Postgraduate School graduate, researched the feasibility of a more robust succession management plan for the Financial Management (FM) community using a control system model known as cybernetic feedback theory. Although his research was also focused on only the FM community, his use of control system theory and its identification of inputs, processes, and outputs were unique. So much so, that the author of this thesis used the same theory and applied it to the analysis of the human resource succession management plan.

C. HUMAN RESOURCE OFFICER CAREER PATH

Unlike some Staff Corps communities, HROs do not "direct access"[3] their officers but acquire them through a lateral transfer process. As the name suggests, the process allows officers belonging to other communities an opportunity to self-select from their current occupation to the human resource field. This is done twice a year when the Lateral Transfer Board convenes to review requests for occupational transfers. Historically, the career of a Human Resource Officer begins at the grade of Lieutenant. However, it is not unusual for a Lieutenant Commander to lateral transfer as well. Correspondingly, most HROs bring with them fleet and operational experience that lends credence to the community in its daily administration of the Navy. Officers with such experience and a warfare qualification are generally considered more competitive and therefore have a higher rate of selection to the HRO community. The minimum selection

[3] Officers are generally accessed into the Navy through a congressionally approved commissioning source. Then they are trained to meet a specific need within the service. Direct Accession is very different. It acquires officers that fit a specific job qualification or service need (i.e., physicians, lawyers). Once identified and recruited they commission and receive basic training without follow-on education since they are already SME in their field.

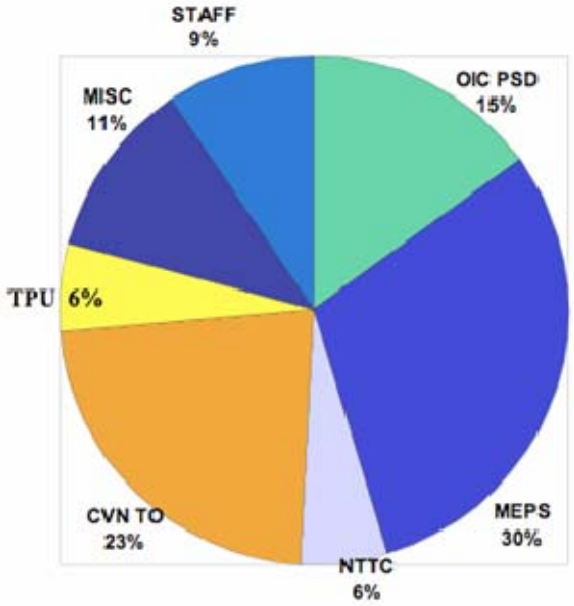
criteria is at least twenty-four months of active commissioned service and within six months of completion of any obligatory service stipulated by an officer's present community. After selection, HROs are typically assigned duties within the 1200 community domain and in most cases this is to fulfill department head credit. This is a significant milestone, equivalent to that found at sea for aviators, surface warfare and submarines officers. Although immediate fulfillment of department head credit is not always the case, in some instances new HROs are sent to the Naval Postgraduate School to pursue a graduate degree and acquire a SPP code. (Tovar 2006)

Since most of the HR community's workforce population is gained through lateral transfer, it is assumed that all newly accessed officers have at least completed their division officer leadership tours. Upon completion of the department head experience tour HROs are screened for a milestone occupation, whereby an individual would bring to bear all of the operational experience of the fleet along with strong analytical skills and specialized education in order to successfully complete this coveted tour. Generally these billets are reserved for Lieutenant Commanders or Commanders. Figure 1 depicts the breakdown of various milestone billets available to LCDRs and CDRs.

Additionally, this screening process requires competitive selection from an administrative board. To further illustrate the typical career path for an HRO, Figure 2 is provided.

LCDR Assignments

- OIC, PSD (Large) - 8
- CO, MEPS - 16
- XO, NTTC (Meridian, Lackland, & Keesler)
- CVN Training DH
- XO, Transient Personnel Unit (Norva, SD, CO Bangor)
- Staff: N13 Accession/Strength, HPC & EUCOM N1
- OIC Scotia, OIC RTC Indoc
- XO, EPMAC & TSC GL
- XO, Enlisted Pers, CNPC
- XO, ONI



CDR Assignments

- Key Manpower N1 Staff positions:
  - N12/N13, NAVPERSCOM, N801, NAVSEA, CENTCOM, JCS STRATCOM
- CO, TPU (Norfolk & San Diego)
- CO, NTTC (Meridian & Lackland)
- XO/CO, Navy Recruiting Districts
- CO, MEPS New York
- CO, PSA (Europe & Pacific)

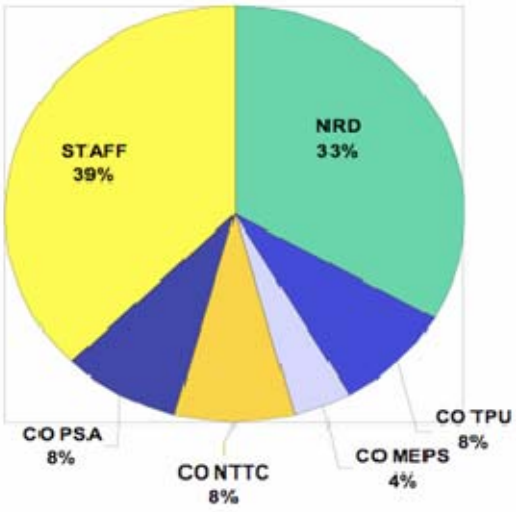


Figure 1. Milestone Assignments for O-4/O-5 (From Naval Personnel Command Human Resource Community 2006)

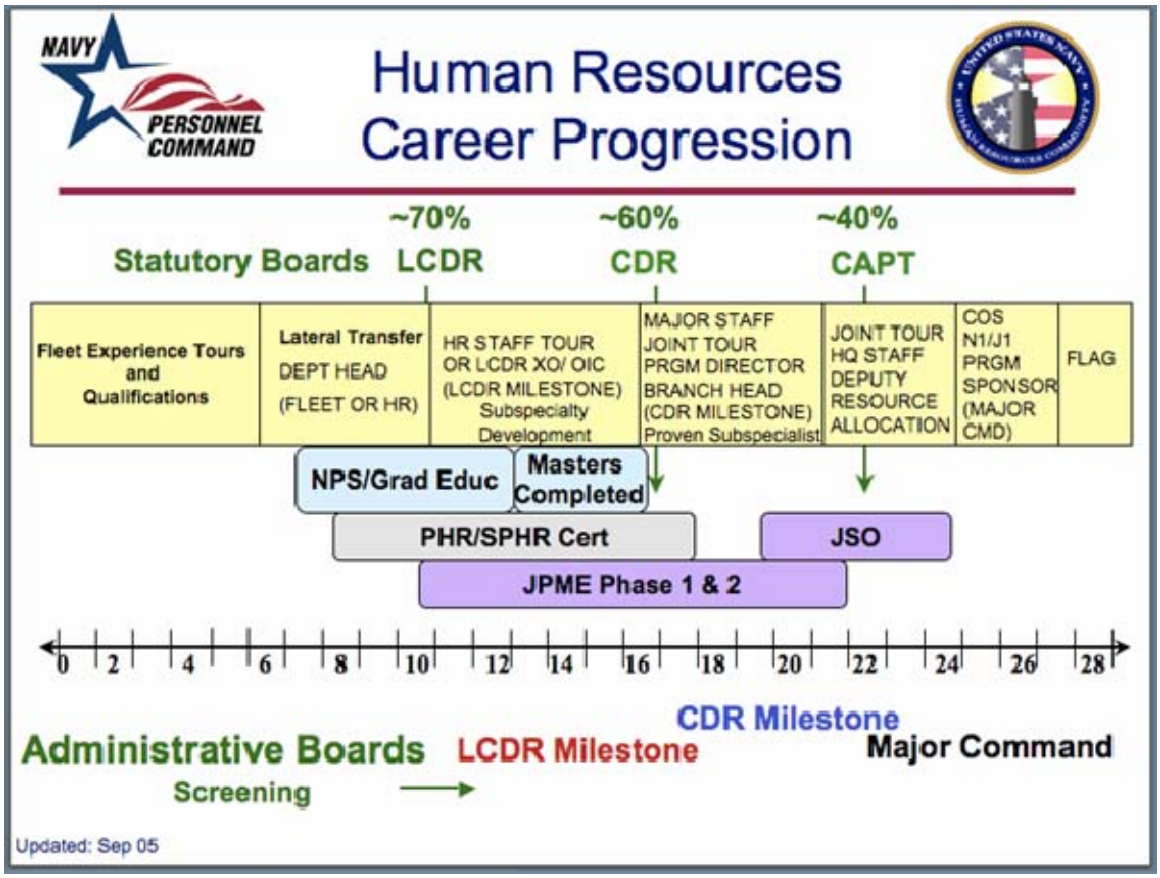


Figure 2. HRO Career Progression (From Naval Personnel Command Human Resource Community 2006)

Unlike many URL communities, Human Resource Officers lack any community specific education and training programs and are thus forced to rely on master-level education or private enterprise certificates as proxies for a nonexistent career-learning continuum. "…Many HROs have certifications with professional organizations including "Professional in HR" through the HR Certification Institute (HRCI) and "Certified Human Performance Technologist" through the International Society for Performance Improvement (ISPI)." (United States Department of the Navy 2007) This results in a lack of focus on core competencies for the community and lends itself to reactionary management, especially for issues pertaining to job placement. Protecting core

competencies from erosion takes continued vigilance on the part of management. Without this perspective, the HR community runs the risk that opportunities for continued growth would be needlessly truncated.

D. ANALYSIS OF NAVY'S SUBSPECIALTY SYSTEM

The Navy Subspecialty System (NSS) is an integrated manpower and personnel classification and control system that maintains the criteria for the award of service credit based on advanced education, functional training, and significant experience in various fields and disciplines. (Chief of Naval Operations 2005a, 32) "SSP codes are primarily used to assign the specialized knowledge, skills, and abilities (KSA) possessed by an officer to that of the requirements of a billet." (Ngin 2005) These codes are acquired through one of two processes: graduate level education, or a formalized request for authorization of an initial SSP code through the Bureau of Naval Personnel (Pers 440). (United States Department of the Navy 2007) This request is based on significant experience in a billet that utilizes the skill sets equivalent to those of formalized graduate education. Additionally, the NSS must track and examine the utilization rate of those officers with these qualifications. (United States Department of the Navy 2007) This is also known and referred to as a "payback" tour. Usually, this obligatory service is redeemed within the first two tours upon completion of post-bachelor degree education.

Beyond the SSP code requirement for skill-specific needs of a billet is the designator codes. Certain billets require a specific pre-designated skill set identified by these career occupation codes. Examples of the designator codes available are illustrated below in Table 1.

Table 1. Snapshot Officer Designators (From Chief of Naval Operations 2005b)

Billet Code	Billet Description	Officer Code	Officer Description	Officer Community Manager (OCM)
1200	Special Duty Officer - Restricted Line Officer Billet requiring Human Resources specialty - Plan, program, and execute life-cycle management of our Navy's most important resource - people.	120X	A Restricted Line Officer of the Human Resources Community who will plan, program and execute life-cycle management of our Navy's most important resource -- people.	DCNO (Manpower)
N/A	N/A	120X	A General Unrestricted Line Officer who is: 1. Materiel Professional designated, and 2. not qualified in any warfare specialty or in training for any warfare specialty (CAPT select and above)	DCNO (Manpower)
1210	Restricted Line Officer Billet (Nuclear Power School Instructor) regulated by Program Authorization 100B attached to Nuclear Power School, Charleston, SC.	121X	Restricted Line Officer (Nuclear Power School Instructor) regulated by Program Authorization 100B.	DCNO (M&P), N133C
1220	Restricted Line Officer Billet (Naval Reactors Engineer) regulated by Program Authorization 100B	122X	Restricted Line Officer (Naval Reactors Engineer) regulated by Program Authorization 100B.	DCNO (M&P), N133C
1100	Unrestricted Line Officer billet requiring Fleet Support specialty	110X	An Unrestricted Line Officer who is not qualified in any warfare specialty or in training for any warfare specialty	DCNO (Man-power)
1110	Unrestricted Line Officer billet requiring Surface Warfare qualification or afloat billets leading to such qualification	111X	An Unrestricted Line Officer who is qualified in Surface Warfare	ACNO (Surface Warfare)
1120	Unrestricted Line Officer billet requiring Submarine Warfare qualification or afloat billets leading to such qualification	112X	An Unrestricted Line Officer who is qualified in Submarine Warfare	ACNO (Undersea Warfare)
1130	Unrestricted Line Officer billet requiring Special Warfare (UDT/SEAL) qualification	113X	An Unrestricted Line Officer who is qualified in Special Warfare	ACNO (Surface Warfare)
1140	Unrestricted Line Officer billet requiring a Special Operations officer qualification	114X	An Unrestricted Line Officer who is a Special Operations officer by virtue of training in the EOD, DIV/ SAL, and EOM functional areas	ACNO (Surface Warfare)
1160	Unrestricted Line Officer billet for an officer in training for Surface Warfare qualification	116X	Unrestricted Line Officer who is in training for Surface Warfare qualification	ACNO (Surface Warfare)
1170	Unrestricted Line Officer billet for an officer in training for Submarine Warfare qualification	117X	Unrestricted Line Officer who is in training for Submarine Warfare qualification	ACNO (Undersea Warfare)
1180	Unrestricted Line Officer billet for a student in training for Special Warfare qualification	118X	Unrestricted Line Officer who is in training for Special Warfare qualification	ACNO (Surface Warfare)
1190	Unrestricted Line Officer billet for an officer in training for Special Operations qualification	119X	Unrestricted Line Officer who is in training for Special Operations qualification	ACNO (Surface Warfare)

Any billet requiring more than the designator will generally specify particular SSP codes. "These SSP codes define the field of application and additional education; experience and training qualifications needed to satisfy special requirements, which meet the specific criteria of the SSP validation process." (Jones 2006) As mentioned earlier, the validation process involves one of two processes: graduate education or a formal request based on experience. Ironically, the minimum requirement of the latter choice is an undergraduate degree or a specialized training program certificate. The level of specific training is identified with a suffix attached to the SSP code. Examples of the SSP codes and suffixes available are illustrated in Table 3 and Table 4.

Table 2. Snapshot URL/RL Staff Corps Subspecialties (After United States Department of the Navy 2007)

Code	Education/Training/Experience Field	Subject Matter Expert
	RESOURCE MANAGEMENT AND ANALYSIS	
3000	Resource Management and Analysis-General	
3100	Financial Management-Defense Focus	N8
3105	Financial Management-Civilian Focus	N8
3110	Financial Management-Advance Defense Focus	N8
3111	Financial Management	N8
3112	Comptroller	N8
3120	Logistics and Transportation Management	COMSC
3121	Logistics and Transportation Management-Logistics	NAVAIR
3122	Logistics and Transportation Management-Transportation	COMSC
3130	Manpower Systems Analysis Management	N1/N10
3150	Education and Training Management	CNET
3210	Operations Research Analysis	N81
3211	Operations Research Analysis-Analysis and Assessment	N81
3212	Operations Research Analysis-Logistics	N4
4600	Human Systems Integration	HPC

Table 3. Navy Officer Subspecialty Suffix Codes (From Bureau of Naval Personnel 2007)

P	Master's level of education
Q	Master's level of education - proven subspecialist
R	Significant experience - proven subspecialist
S	Significant experience
B	Validated requirement for master's or higher level of education but second priority to P, Q, M, N, C, or D-coded billets; used when subspecialty code compensation has not been identified. Applies only to billets.
C	PhD level of education - proven subspecialist
D	PhD level of education
E	Baccalaureate level of education in a field applicable to the subspecialty
F	Master's degree not fully meeting Navy criteria in a degree program - proven subspecialist
I	Master's degree completed by Immediate Graduate Education Program graduates not fully meeting Navy criteria in a degree program. Applies only to officers.
M	Post-master's graduate degree
N	Post-master's graduate degree

E. HUMAN RESOURCE OFFICER SUBSPECIALTY CODES

The 1200 community is comprised of four DoD focused management competencies: Manpower Systems Analysis (MSA), Operations Analysis (OA), Human Systems Integration (HSI), and Financial Management (FM). Through these disciplines the community ensures proper acquisition of KSA and attempts to match those officers with these qualifications to billets having the same requisite skill sets. A minority of these competencies can be acquired through civilian universities, but must go through the validation process and approval before a HRO is awarded a specific SSP code. Once approved, the service member would be awarded the SSP code followed by the suffix S, F, or I indicating completion of civilian graduate education. Similarly, graduates of the Naval Postgraduate School are awarded the SSP code followed by a P indicating Master's level education indicative of Naval criteria.

This chapter mentioned earlier the low-cost benefit of using NPS as the vehicle of delivery for such DoD focused competencies. Figures 3, 4, 5 and 6 below illustrate the

marginal cost savings for each of these degree programs and further support the process of a career-learning continuum derived from a university like NPS. Furthermore, these figures show graphically the annual per student cost associated with each HR subspecialty code for cohort year group 2001 thru 2004. (Jones 2006)

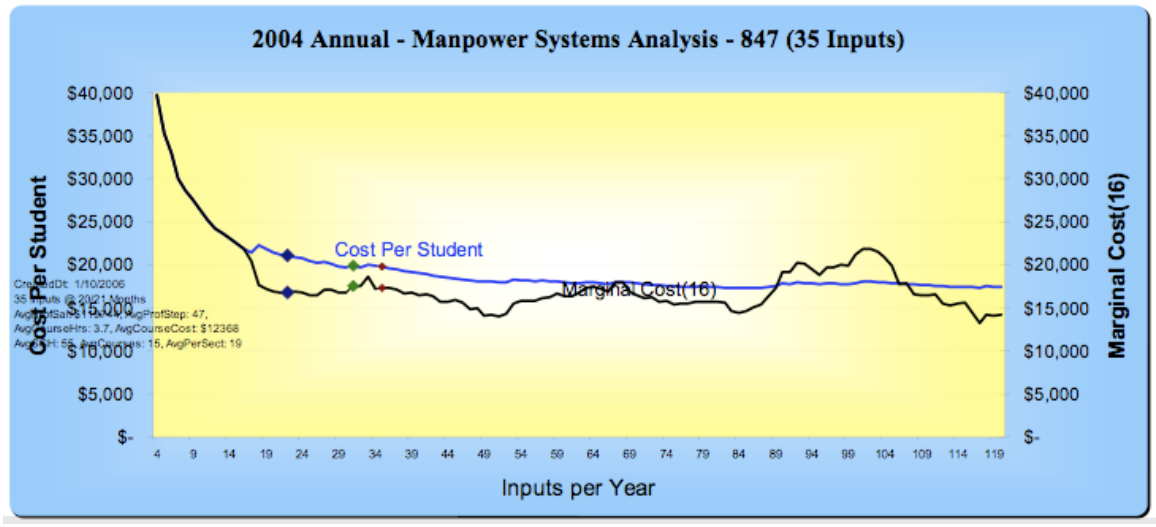


Figure 3. Cost Associated with Acquiring 3130 Q Subspecialty Code (From Jones 2006)

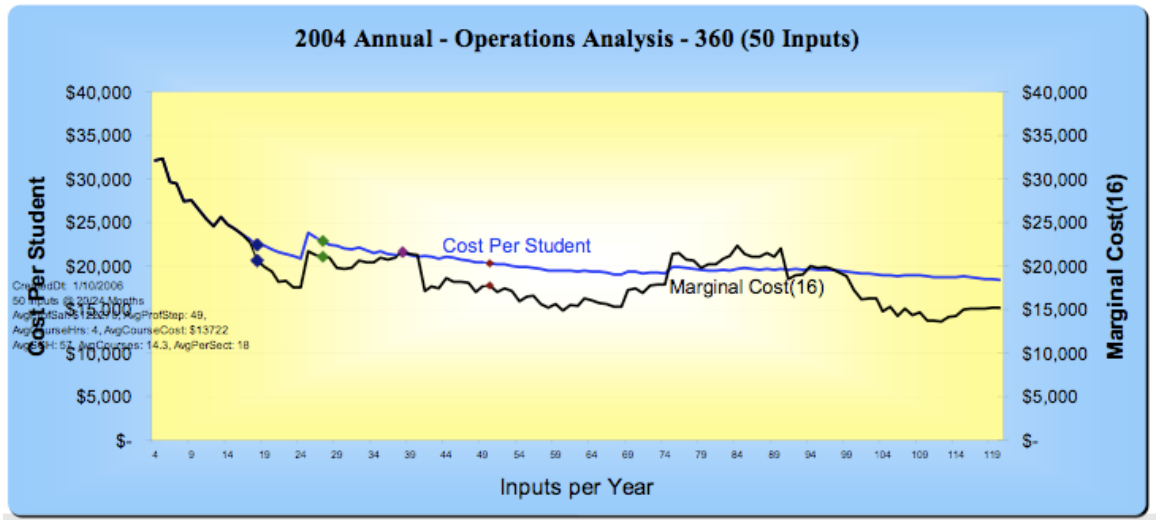


Figure 4. Cost Associated with Acquiring 3211 Q Subspecialty Code (From Jones 2006)

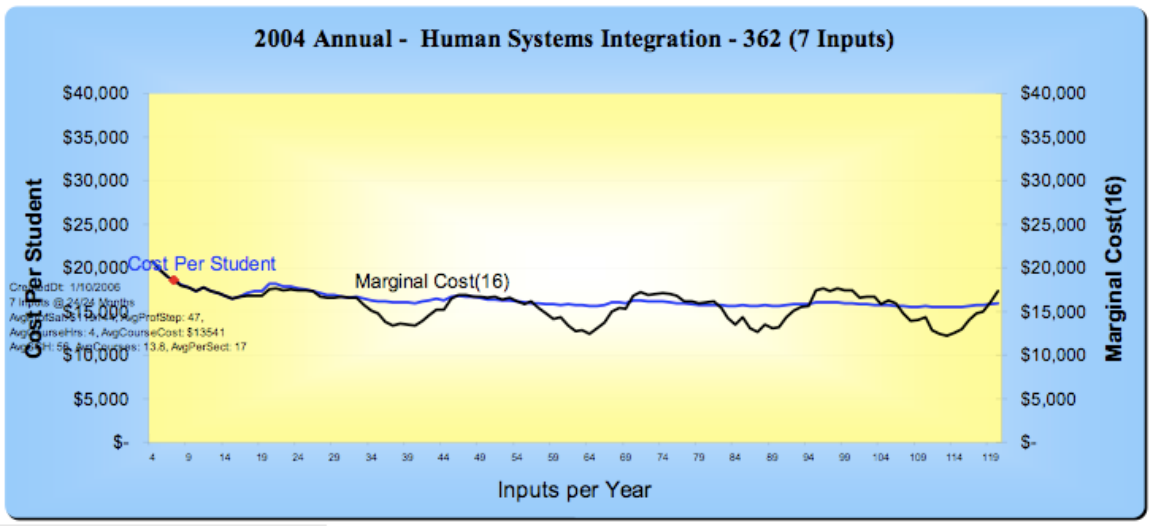


Figure 5. Cost Associated with Acquiring 4600 Q Subspecialty Code (From Jones 2006)

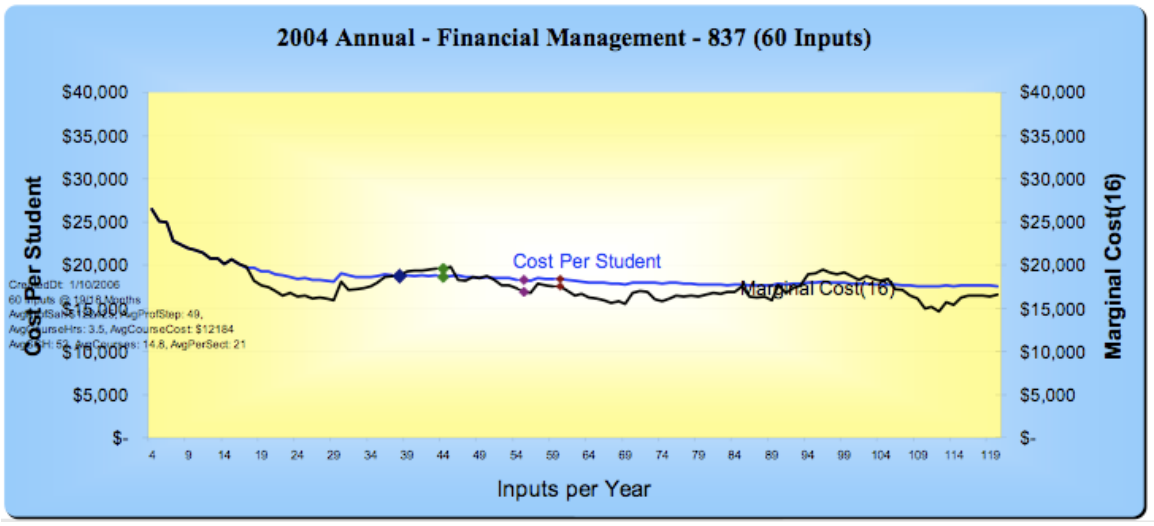


Figure 6. Cost Associated with Acquiring 3110 Q Subspecialty Code (From Jones 2006)

1. Manpower Systems Analysis (MSA)/3130

Officers with the Manpower Systems Analysis (MSA) curriculum are responsible for developing and analyzing policies to ensure that the Navy and DoD are recruiting, training, utilizing and retaining personnel in the most efficient and effective ways

possible. MSA is an analytical curriculum intended to develop skills necessary to perform and evaluate manpower analyses and manage the Navy's Human Resource community. As such, the curriculum emphasizes mathematical, statistical and other quantitative and qualitative analysis methods. Successful completion of the curriculum yields an officer skilled in conducting manpower personnel and training policy analysis. The areas covered in the MSA curriculum include an understanding of manpower, personnel, and training policy development, managing diversity, compensation systems, enlistment supply and retention models, manpower training models, manpower requirements determination processes, career mix, enlistment and reenlistment incentives, training effectiveness measures and hardware/manpower trade-offs. Officers gain familiarity with current models and methods of manpower analysis and economics as well as military manpower organizations, information systems and issues. (United States Department of the Navy, Naval Postgraduate School 2007) Equipped with this competency, HROs can critically analyze the impact of policies affecting the MPT&E domain and make viable course corrections to better manage the Navy's greatest asset—its people.

2. Operations Analysis/Research (OA, OR)/3211

OR is the science of helping people and organizations make better decisions. More formally, it is the development and application of mathematical models, statistical analyses, simulations, analytical reasoning and common sense to the understanding and improvement of real-world operations. Improvement can be measured by the minimization of cost, maximization of efficiency, or optimization of other relevant measures of effectiveness. The military uses OR at the strategic, operational and tactical levels. OR improves decision-making and facilitates insights into the phenomena of combat. OR applications cover the gamut of military activities including: national policy analysis, resource allocation, force composition and modernization, logistics, human resources (recruiting, retention, promotion, training and personnel assignment), battle planning, flight operations scheduling, intelligence, command and control, weapon selection (weapon system effectiveness, cost, compatibility and operability), engagement

tactics (fire control, maneuver, target selection, and battle damage assessment), maintenance and replenishment, and search and rescue. (United States Department of the Navy, Naval Postgraduate School 2007)

3. Human Systems Integration (HSI)/4600

Human Systems Integration (HSI) is an interdisciplinary program that emphasizes human considerations as a priority in systems design and acquisition, to reduce life-cycle costs and improve total system performance. HSI has been divided into several distinct domains that include human factors engineering, manpower, personnel, training, human survivability, health hazards, system safety, and habitability. HSI is based on the understanding that people (operators, maintainers, and support personnel) are critical elements of the system and that a human-centered design perspective promotes system effectiveness, safety, and cost savings. This curriculum provides officers with the knowledge, skills, and abilities to be effective leaders in the assessment, design, testing, and management of a total human machine system throughout its life cycle. (United States Department of the Navy, Naval Postgraduate School 2007)

4. Financial Management (FM)/3110

Officers with this competency cover topics such as financial reporting standards, cost standards, cost analysis, budgeting, internal control, auditing, management planning and control systems, strategic resource management, quantitative techniques used in planning and control, system acquisition and program management, and the Planning Programming Budgeting and Execution System (PPBES) used within the DoD. Officers who successfully complete the Financial Management curriculum will be prepared for assignment to positions in strategic planning, business analysis, cost analysis, financial analysis, budgeting, accounting, business and financial management, and internal control systems and auditing.

F. OFFICER MANPOWER GOVERNANCE

Management of the Navy's officer corps, as with all the services, is policy driven by the Defense Officer Personnel Management Act (DOPMA) codified in Title 10 of the United States Code. DOPMA was signed out in 1981 and implemented as reformation of a moribund officer-management control system. The previous management control program was designed for a large standing army in constant battle. Post WWII policy required a system that could provide the necessary oversight of grade controls for a peacetime military force. (Yardley et al 2005) From an HR perspective these guidelines place near-insurmountable limitations on force shaping of its community. DOPMA provided a uniformed perception that officers from every service should have similarities in how they are trained, accessed, promoted, retired, or separated regardless of specialized skills or abilities needed for different occupations. Under the guidelines of DOPMA, officers are still commissioned through one of three sources: service academies, reserve officer training corps (ROTC), or officer candidate school (OCS). Additionally, DOPMA aligned the services Officer Corps grades as illustrated in the table below and stipulated tighter grade controls.

Table 4. Officer Grades for the United States Military Services (From Yardley et al 2005)

Officer Grades for the United States Military Services

Officer Pay Grades	Army/Air Force/ Marine Corps	Navy
O-1	2nd Lieutenant	Ensign
O-2	1st Lieutenant	Lieutenant (junior grade)
O-3	Captain	Lieutenant
O-4	Major	Lieutenant Commander
O-5	Lieutenant Colonel	Commander
O-6	Colonel	Captain
O-7	Brigadier General	Rear Admiral (lower half)
O-8	Major General	Rear Admiral (upper half)
O-9	Lieutenant General	Vice Admiral
O-10	General	Admiral

Finally, DOPMA would also require congressional approval of officer end-strength. "Congress authorizes total officer strength for each military service each year, considering the historical relationship between officer and enlisted personnel (the so-called enlisted-officer ratio), stated manpower requirements, and the achievement of other goals." (Yardley et al 2005)

1. Grade Controls

Congress has the authority to determine the number of officers in each field grade beyond the O3 level. This is published in the DOPMA tables and is commonly referred to as the Officer Grade Distribution. Strikingly, this distribution fluctuates as a function of the total officer end-strength, vice being a fixed percentage of the total force end-strength. This means at that times the distribution of manpower within the officer corps is reflective of policy governed by DOPMA instead of requirements and needs of the overall force, "…it represents legal goals to be met rather than needs to be

accommodated." (Yardley et al 2005) This places considerable strain on any succession management plan that relies heavily on a constant accession and distribution of officers whereby most of its participants are acquired through later transfer from a source with which limitations are strictly governed by policy. In addition, DOPMA uses its "up or out" promotion system to keep tight controls of its senior leadership. Hence, the officer corps usually is characterized as a young force with the bulk of its labor at the field grade level. It thus becomes vital to ensure that proper acquisition of KSA is obtained with respect to the career progression of future senior leadership personnel.

2. Law and Policy Interactions

To further grasp the complexities of this system where law and policy interact with behavior and personnel desires all under the governance of DOPMA, Robert Emmerichs and Harry Thie provided a thorough concept map used in their research of DOPMA regulations. This map provides a great conceptual representation, within a systems framework, of the interrelationships of the aforementioned complexities that RAND Corporation used in their study of manpower and personnel governance in the U.S. Navy.

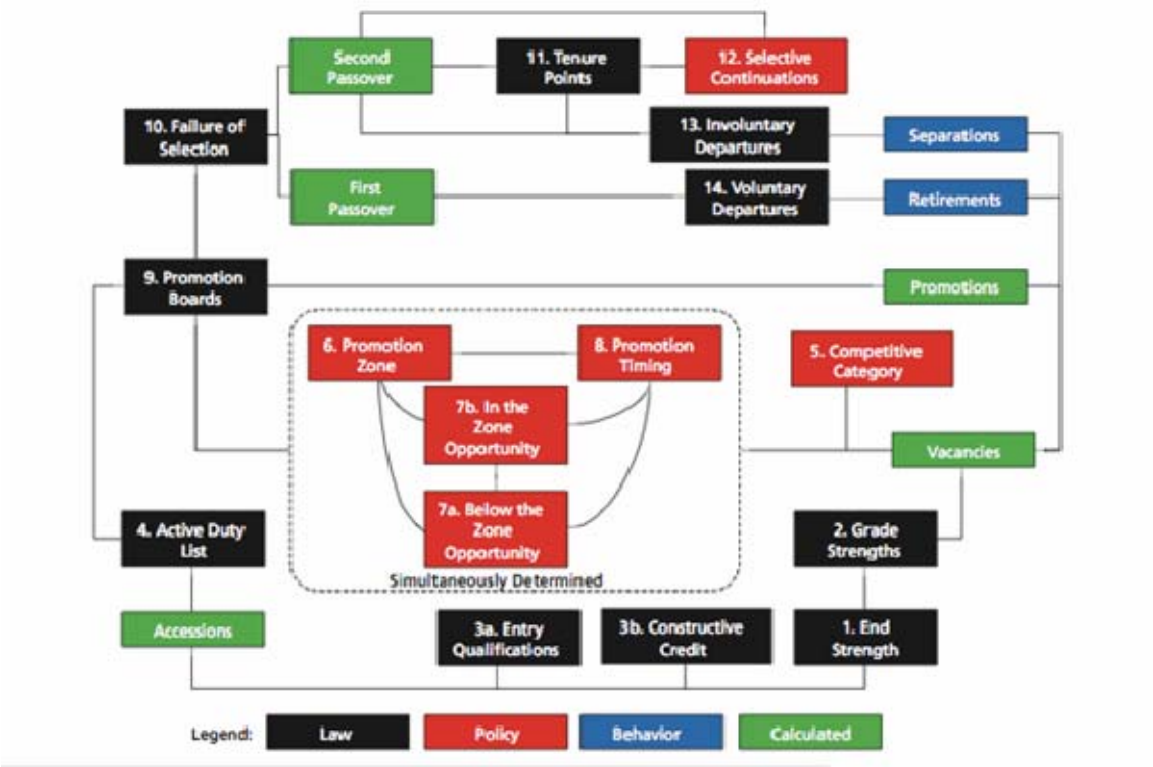


Figure 7. Concept Map of Active Component Officer Management (From Yardley et al 2005)

Most law or policy blocks in the map are described in a table that is keyed to the numerical designation of the block. The lines are not meant to show movement of officers or career paths, but instead indicate how law and policy generally relate to one another. Shading of the boxes represents the primary driver: law (black), policy (red), behavior (blue), or calculation (green). Blue (behaviors) and green (calculated) blocks show the outputs: what happens as a result of applying the policies and choices made by individual officers. (Yardley et al 2005)

An understanding of this process flow demonstrates, in a systems context of inputs (accessions) and outputs (promotions, separations), how the Navy could bring about revolutionary change within its personnel management practices, albeit in most cases with the explicit approval of Congress. Nevertheless, in other cases requiring minimal changes and only involving the Navy, simple policy alterations could mend gaps

and mismatches. These changes could be specific to the HR community as it attempts to manage its own manpower requirements using the tools outlined in this section. The next chapter will identify the structure of a managerial control system and apply that model to the human resource community. From this, levers of control will be acknowledged and analyzed.

III. CONTROL SYSTEM THEORY

A. INTRODUCTION

This chapter defines the processes and structures that affect the qualifications of the Human Resource Officer in the MSA, OA, HSI, or FM subspecialties. To better understand the qualification process, an analysis of this managerial control structure using a systems model is used to identify key inputs, outputs and processes vital to maintaining a level of control necessary for a desired end state. However, to gain control using "control system theory," the addition of two more ingredients beyond inputs, processes, and outputs are needed. This system calls for "(1) a standard or benchmark from which to compare actual performance and (2) a feedback channel to allow information on variances to be communicated and acted upon." (Simons 2000, 57) That is to say, an effective managerial control process clearly illustrates its levers of control that enable the manager to affect the output of the overall system through variances within its processes. Moreover, the output has some mechanism from which "feedback"[4] is passed back into the system via its inputs. This is often used to control or stabilize the dynamic behavior of the system. (Salen and Zimmerman 2004)

In its most simplistic form, the qualification of a Human Resource Officer can best be shown with the use of a cybernetic feedback model. Defined as the science of communications and automatic control systems in both machines and living things, the field of cybernetics has many applications; among them are complex systems within engineering, architecture, economics and biology. ("Definition: Cybernetic" 2007)

[4] Feedback is a process whereby some proportion of the output signal of a system is passed (fed back) to the input.

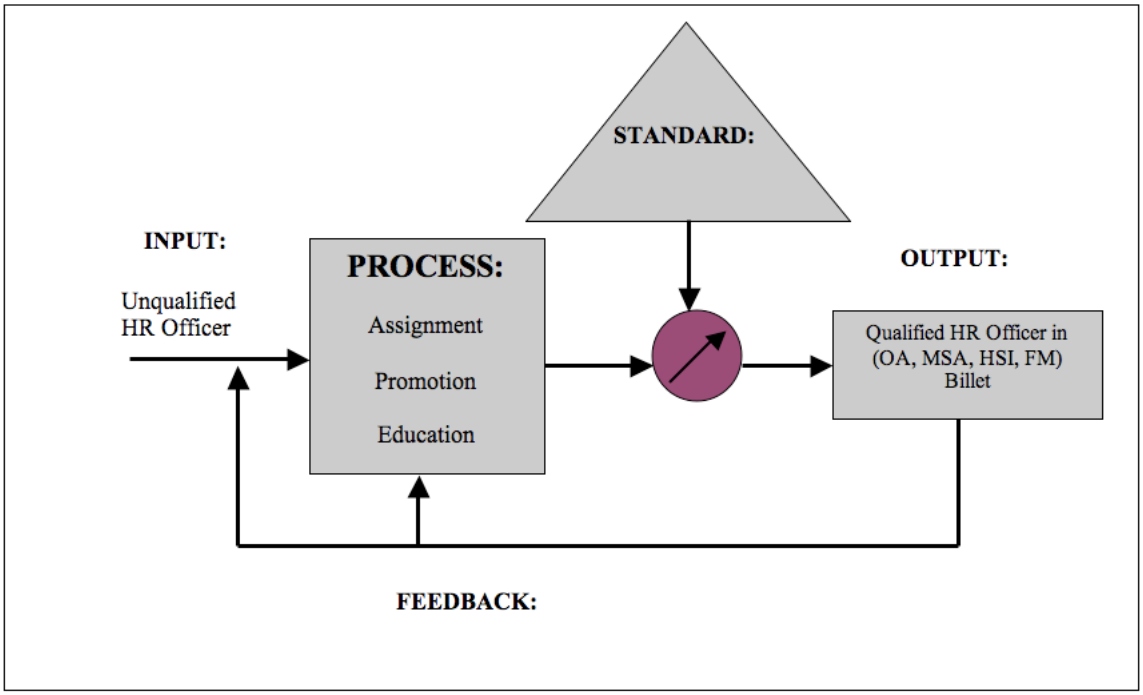


Figure 8. Overall HR Qualification Process (After Simons 2000, 57)

As illustrated in Figure 8, the standard or benchmark within the system is applied to regulate a desired output. It acts as a formal representation of performance expectations. In this way the standard works similar to an altimeter. Information for a desired altitude can be quickly obtained and course corrections made instantaneously. Likewise, a manager with preset standards available can assess how well inputs have been transformed into outputs. Additionally, feedback to the system allows for self-improvements over time. As an organization seeks to improve its performance, feedback helps it to make required adjustments. (Boulton 2007) Applying the model to the Navy's HR community, inputs to the system are non-qualified HR officers. After progressing through the process, these officers become qualified by way of experience, education or promotion. More importantly, this system provides the manager control of any combination of inputs, processes, standards, or outputs. To further define the process, the inputs were the first components researched.

B. INPUT—OFFICER POPULATION

1. Current Status

The Navy Officer Corps is comprised of roughly 55,000 officers. Among this group approximately 52 percent are in the category of Restricted Line (RL) Officers. As defined by Navy regulations, a RL officer is an "officer of the line of the Regular Navy and Naval Reserve who is not eligible for Command at Sea." (Department of the Navy 1990) There are many different Restricted Line Officer communities, including Engineering Duty Officers, Aerospace Engineering Duty Officers, Aerospace Maintenance Duty Officers, Naval Intelligence Officers, Information Warfare Officers, Information Operations Officers, Public Affairs Officers, Naval Oceanographers, Information Professionals, and Human Resources. The 1200 community accounts for a small percentage of the total RL population. As of November 2005, there were approximately 744 HROs in the Navy. This represents a small number of officers from which to input into the HR qualification process. Figure 9 further illustrates the breakout of HR officers with current subspecialty codes. This is useful to identify the community's current priorities.

According to Figure 9, MSA and OA have the largest concentration of HR officers.

2. Manpower Coding

The process of pushing these officers through the human resource information system requires a strict adherence to the Navy's designated hierarchy of codes. (Chief of Naval Operations 2005a, 32) Table 5 shows the five levels of categorization that are defined for every officer. This example illustrates codes assigned by the author of this thesis.

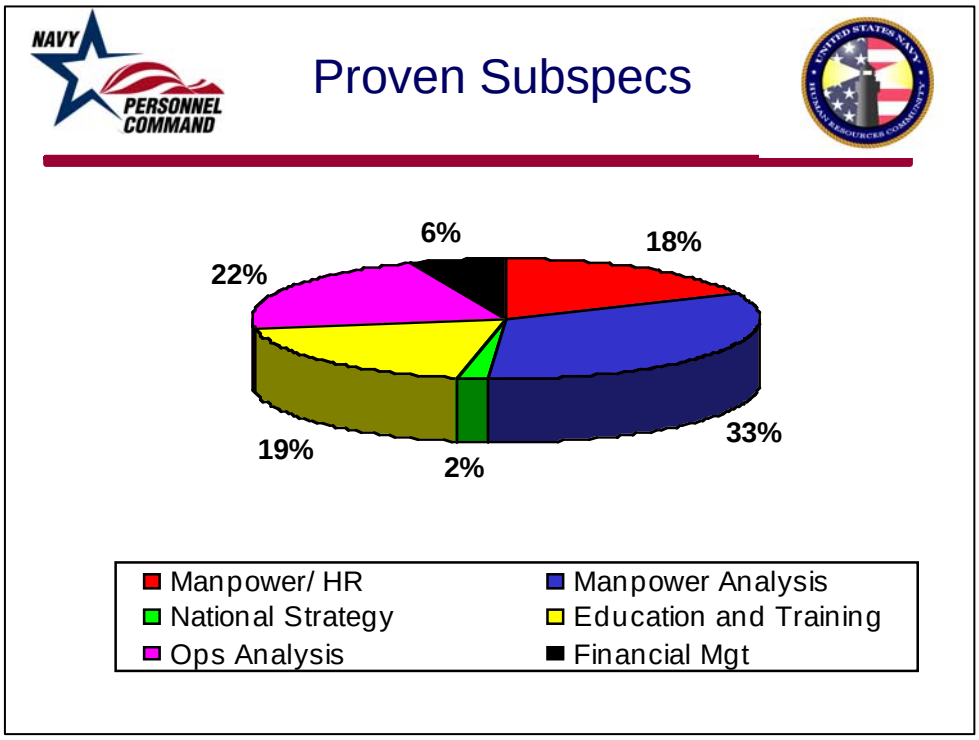


Figure 9. HR SSP code breakout (From Naval Personnel Command Human Resource Community 2006)

Table 5. Officer Manpower Codes

Code Hierarchy	Example	Meaning
Grade	LCDR (O-4)	Lieutenant Commander
Designator	1200	Human Resource Officer
Additional Qualification Designator (AQD)	LA9	Surface Warfare Officer
Subspecialty	3130T	NPS MSA Student
Navy Officer Billet Classification Code (NOBCC)	3290	Training Officer

Beginning as an Ensign, all Navy officers are advanced based on the results of promotion boards. Next, the designator delineates what community the officer belongs to. It identifies primary specialty qualifications and competitive categories for promotion such as Aviator, Surface Warfare, Intelligence, and Supply Corps. Since human resource officers must lateral transfer into the community, a majority of them migrate from the URL domain. Further, these officers might possess an additional qualification designator (AQD) that coincides with their primary designator. This code identifies additional

qualifications and skills not included in other code structures. For example, LF7 would mean a Surface Warfare Officer was qualified as an Evaluator/Tactical Action Officer, qualified in NTDS equipped units. Another Surface Warfare Officer might have the same designator but a completely different AQD such as CB3—qualification in department head ashore. The next hierarchy of codes is the subspecialty. Much of the importance of the SSP code was discussed in previous chapters. Nonetheless, it identifies postgraduate education or equivalent training and experience. Finally, the Navy Officer Billet Classification Code (NOBC) describes general occupational duties for billets. Figure 10 illustrates what is known as the Navy Officer Occupational Classification System.

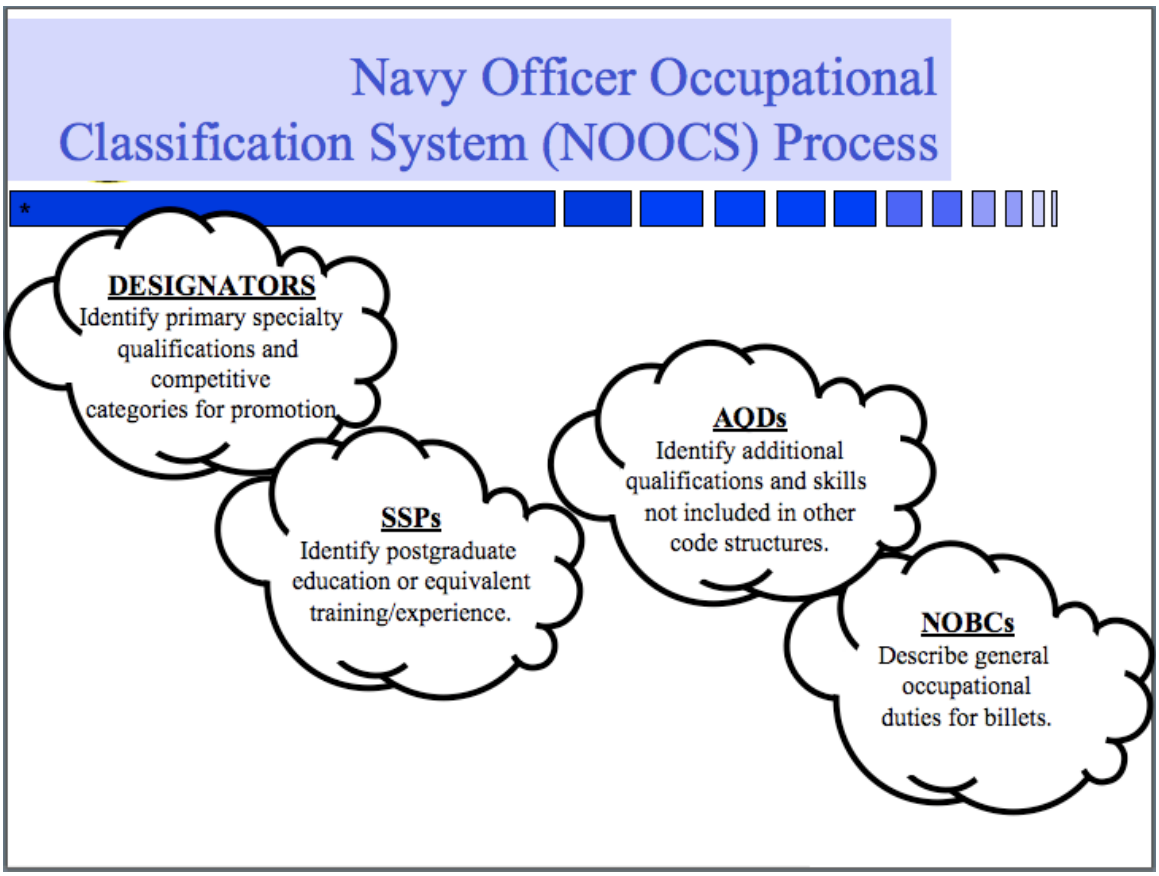


Figure 10. Navy Officer Occupational Classification System (From NAVMAC Occupational Standards Department 2005)

This system of coding is primary employed by Navy Personnel Command through the Officer Personnel Information System (OPINS) database. It is used in conjunction with the Officer Assignment Information System (OAIS) to match officer and jobs. Likewise, billets are coded with these five levels of categorization.

C. OUTPUT—HUMAN RESOURCE BILLET STRUCTURE

Referring back to Figure 8, the output of the system is the assignment of a fully qualified officer into the HR billet structure. More importantly, one of the three main processes for qualification is for an officer to gain experience by working in an HR occupation. Moreover, NPC must assign an officer to one of 631 officer HR-designated billets available. Table 6 is a snapshot of some of those billets.

Table 6. Navy HR Officer Billet Structure (After Naval Personnel Command PERS 452 2007)

B. DESIG	DESIG	BTITLE	B. RANK	RANK	B. SUBSPEC	SUBSPEC
1200	1100	STF ADMIN/ACOS MNPWR PERS & ADMIN	CDR	CAPT	3130R	3111Q
1200	1110	OPS ENGR EU32/020	LT	LT		
1200	1110	DEP DIR WHMO	CAPT	RDMU		5700S
1200	1310	DEP DIR WHMO	CAPT	RDML		
1200	1115	PRCM&RECRUIT	LT	LCDR		
1200	1115	PRCM&RECRUIT	LT	LT		
1200	1115	PRCM&RECRUIT	LT	LT		
1200	1115	PRCM&RECRUIT	LT	LT		
1200	1115	PRCM&RECRUIT / OFF RECRUITER	LT	LT		
1200	1100	OIC SHR ACT	CDR	CAPT		3130Q
1200	1100	SCH ADMIN/CHIEF OF STAFF	CAPT	CAPT		3000Q
1200	1100	PERS/MPWR MGT/ADMIN OFFICER	CDR	CDR		
1200	1100	ESO/VOLED SITE COORDINATOR	CDR	CDR		3212S
1200	1100	STF MINE WRF/SUB & SURF PGRM (N442)	LCDR	CDR		6301Q
1200	1100	OPS OFF 002/01	LT	LCDR		3130R
1200	1110	PERS DIST ENL/DIR SHORE PLACEMENT DEPT	LCDR	LT	3130S	
1200	1110	DPJ SUP\C-IED PROJ MGR	CDR	CDR		
1200	1110	ADMIN/PERSONNEL DIR	LCDR	LT		
1200	1110	STAFF PLANS OFFICER	LT	LT		
1200	1110	PRCM&RECRUIT / OFFICER PROGRAMS DEPT HD	LT	LT		
1200	1110	PRCM&RECRUIT/OFFICER RECRUITER	LT	LT		
1200	1110	ADMIN/MILITARY SUPPORT DPT HEAD	LT	LT		
1200	1115	MPWR PLN/HUM CAP ANA/ADDU TO 02220/00011	LCDR	LCDR		
1200	1117	DEP/FORCE INTEGRATION OFFICER (N1F2)	CAPT	CAPT		3000Q
1200	1117	CMPU SYS ANAL/N956C INFO SYS TECH BR	CDR	CDR		6000P
1200	1120	MPWR PLN/STRATEGIC PROGRAMMING BR HD	CAPT	CAPT		5203Q
1200	1120	OPS OFF	LT	LT		
1200	1205	XO SHR ACT	CDR	CDR	3150S	3000P
1200	1205	PERS P&P/HD WOMEN'S POLICY	CAPT	LCDR		0000P
1200	1205	PRCM&RECRUIT / OFFICER PROGS DEPT HD	LT	LT		3000P

1. HR Billet Structure

As mentioned earlier in this chapter, the designator defines the type of warfare experience required for a particular occupation. In many cases the specific job within a navy enterprise requires knowledge and experience in manpower, training, personnel, and education. This is why many of these billets are coded for a 1200 officer. However, there are instances where a billet only requires an officer's having the correct grade and subspecialty as illustrated in Table 7, with several 1200 billets being filled with 1100s.

Table 7. Navy HR Incumbent Officer Billet List (After Naval Personnel Command PERS 452 2007)

B TITLE	B RANK	SSC	SSC2	AQD	RANK	DESIG	B.DESIG
ACCOUNTING TECHNICIAN 00067272	LCDR						
BUDGET/RPN COORDINATOR	LCDR				CDR	1327	1200
BUDGET/M&P ANALYST/ADDU TO 10340/45997	LCDR	3211P			LCDR	1317	1200
BUDGET/OFFICE DIRECTOR	CDR	3111Q			CDR	1107	1200
BUDGET/DIR FIN MGMT	CDR	3111P			LCDR	1107	1200
BUDGET/RATE ANALYSIS & FORECAST OFFICER	LCDR	3111P			CDR	1107	1200
ADMIN OFF CN/025	LCDR	3111S					1000
BUDGET/M&P ANALYST/ADDU FM 10655/00011	LCDR						1000
BUDGET/POM ANALYST/ADDU FM 10685/00011	LCDR				LT	1320	1200
BUDGET/POM ANALYST/ADDU TO 10350/45997	LCDR	3130P	3111S				1000
BUDGET/MPT&E PROGRAM ANALYST	CDR	3111Q			CDR	1110	1000
BUDGET/TEMADD PROJ MANAGER	LT						1000
BUDGET/N958D HEAD RPN BUDGET BRANCH	CDR	3111P					1000

As shown in the third row from the bottom of Table 7, the Budget/MPT&E Program Analyst position requires an O-5 1000-coded designator with a 3111Q SSP code. Most of the HR occupations, as illustrated in this sample, do not require significant operational fleet experience. Thus, the RL community accounts for the largest proportion of the Navy's business-related billets. For example, within the Financial Management domain, RL and Staff Corps officers make up 78 percent of the total officers fulfilling these duties. Figure 11 illustrates this point.

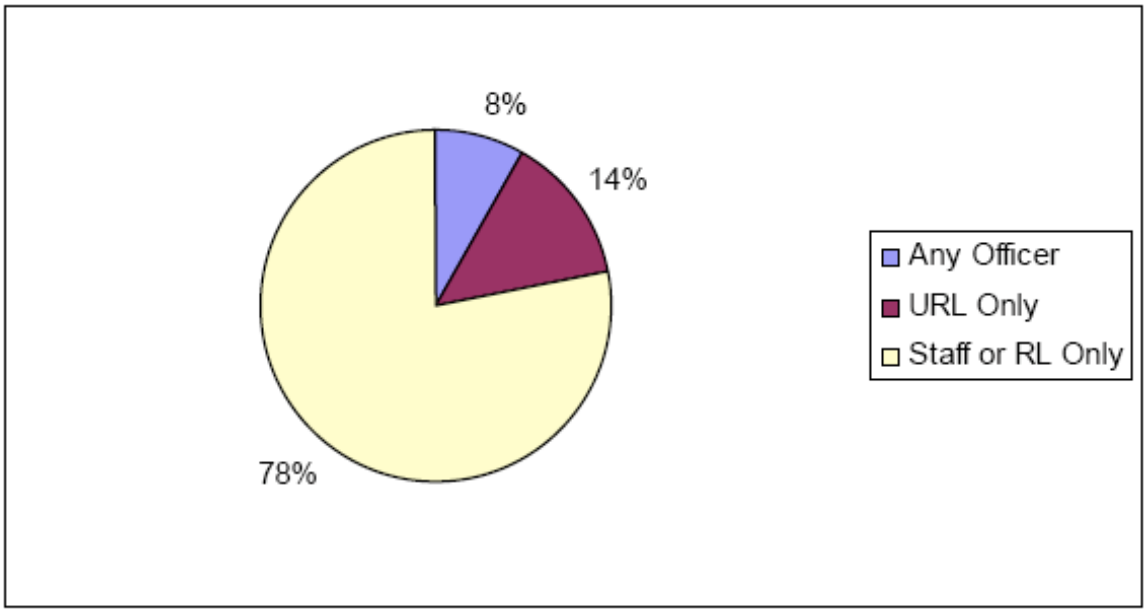


Figure 11. Financial Management Billets by Community (From Cutter 2004)

Furthermore, due to career limitations and timing, it is difficult for URL officers to earn the requisite education to fulfill these positions. Yet, the HR community has large gaps, designators, and SSP code mismatches within its structure. The reasons for this disparity and unintended consequences of such mismatches are costly and place greater strain on the system.

2. Human Resource Related Billet Prerequisites

Every billet in the Navy officer corps must also undergo this rigorous classification standard. Although a few occupations do not require any education or experience, that is the exception. Most positions have one of twelve prerequisite education codes and experience levels assigned to them. These codes are listed in Table 8.

Table 8. Navy Officer Subspecialty Suffix Codes11 (From Bureau of Naval Personnel 2007)

P	Master's level of education
Q	Master's level of education - proven subspecialist
R	Significant experience - proven subspecialist
S	Significant experience
B	Validated requirement for master's or higher level of education but second priority to P, Q, M, N, C, or D-coded billets; used when subspecialty code compensation has not been identified. Applies only to billets.
C	PhD level of education - proven subspecialist
D	PhD level of education
E	Baccalaureate level of education in a field applicable to the subspecialty
F	Master's degree not fully meeting Navy criteria in a degree program - proven subspecialist
I	Master's degree completed by Immediate Graduate Education Program graduates not fully meeting Navy criteria in a degree program. Applies only to officers.
M	Post-master's graduate degree
N	Post-master's graduate degree

Billet designations have two components: education and experience. HR positions are no different. They too require one or the other or a combination of the two. Therefore, an officer who earns a Master's degree from the Naval Postgraduate School in MSA, OA, HSI, or FM meets the requisite education qualification. Degrees from other universities can be matriculated upon approval from NPS, via a written request. Further, the experience qualification can be obtained after working in a HR billet, with a significant use of the competencies mentioned above, for 18 months and only upon approval of a formal written request. Figure 12 is an example of such a request.

From: (Grade, full name, SSN/designator)
To: Commander, Navy Personnel Command (PERS-45E)
Via: (Immediate Senior or Chain-of-Command)

Subj: REQUEST FOR SIGNIFICANT EXPERIENCE SUBSPECIALTY CODE

Ref: (a) MILPERSMAN 1214-010
(b) NAVPERS 15839I, Manual of Navy Officer Manpower Personnel Classifications, Volume I, Major Code Structures

Encl: (1) Any relevant material necessary to elaborate qualifying experience (i.e., FITREPS describing duties performed)

1. Per references (a) and (b), I request the subspecialty code (code number). I have been assigned at the (command name) for the past (number) months in a corresponding subspecialty coded billet. The Unit Identification Code (UIC) and Billet Sequence Code (BSC) of this billet are (xxxxx/xxxxx). My duties have included the following:

2. I feel I have gained significant experience in the area of (subspecialty title) and request this coding designation.

(Signature)

Figure 12. Sample Subspecialty Code Request Letter (Experience) (From United States Department of the Navy 2007)

3. Billet Gaps and Mismatches

The Navy refers to any difference between what has been authorized for funding and what is in the current inventory as a "gap." Navy personnel managers frequently use different terms, such as mismatches and differences to mean the same thing. Although most personnel managers view a gap as the delta between authorizations and inventory at an aggregate level, the author of this thesis believes it to also include mismatches in grade or skill as compared to the job requirement. Table 9 is a snapshot of the HR billet structure with incumbents who are mismatched by designator, grade, or SSP code.

Table 9. Snapshot of HR Billet Structure (After Naval Personnel Command PERS 452 2007)

BTITLE	RANK	INCUM. RANK	DESIG	B.DESIG	B.SSP	INCUM. SSP1	INCUM. SSC2
BUDGET/RPN COORDINATOR	LCDR	CDR	1327	1200		2000P	3105P
BUDGET/M&P ANALYST/ADDU TO 10340/45997	LCDR	LCDR	1317	1200	3211P	3110P	3211S
BUDGET/OFFICE DIRECTOR	CDR	CDR	1107	1200	3111Q	3000Q	3111R
BUDGET/DIR FIN MGMT	CDR	LCDR	1107	1200	3111P	3110P	
BUDGET/RATE ANALYSIS & FORECAST OFFICER	LCDR	CDR	1107	1200	3111P	3000P	3130R
ASST FOR RESERVE MATTERS NCBR/OP92R	CDR	CDR	1317	1200	3111P	3111Q	
NAVRES ANALYST	LCDR	CDR	1117	1200	3111P	3111S	
OPERATIONS SUPPORT OFFICER	CDR	LCDR	1107	1200	3130S	3111Q	3000P
MGMT ANAL CTL/DIR BPR (00F)	LCDR	LCDR	1107	1200		6200P	6201S
MGMT INFO SYS/REQ INTEGRATION	LCDR	LT	1605	1200	6201P		
MGMT INFO SYS/FUNC AREA MGMT	LCDR	LCDR	1107	1200		2000P	3130R
MGMT INFO SYS/TASK FORCE DIMHRS LEAD	CDR	LCDR	1107	1200			
MGT INFO SYS/DCOS	CAPT	CAPT	1635	1200			
MGT INFO SYS/FORCE IT POLICY/PLN/DEPT HD	CDR	CDR	1117	1200		6201P	
MGT INFO SYS/CIO	LCDR	LCDR	1107	1200	6201S	6203Q	6201S
MGT INFO SYS/ INFO SYS CUST ADV	LCDR	LCDR	1107	1200	6201P	6201S	
MGT INFO SYS	CDR	LCDR	1327	1200		6201S	6200S
MGT INFO SYS/CIO DIR ADDU FM 95700/63102	CAPT	CAPT	1327	1200	6201Q	6201Q	3000P

The highlighted regions in Table 9 depict the mismatches associated with just a few HR billets. Mismatches can also include overages or shortages of inventory compared with authorizations. Figure 13 illustrates the HR community's authorization to inventory differences.

It depicts the disparate nature of the HR Community. Human resource core denotes a distributable inventory. All others are under contract or service obligation and include USNA coaches and Permanent Military Professors (PMP). One can see significant shortages in the O-6 and O-5 grades and overages in the company level officers. This disparity results in excessive demand at the end-user level and creates costly outcomes.

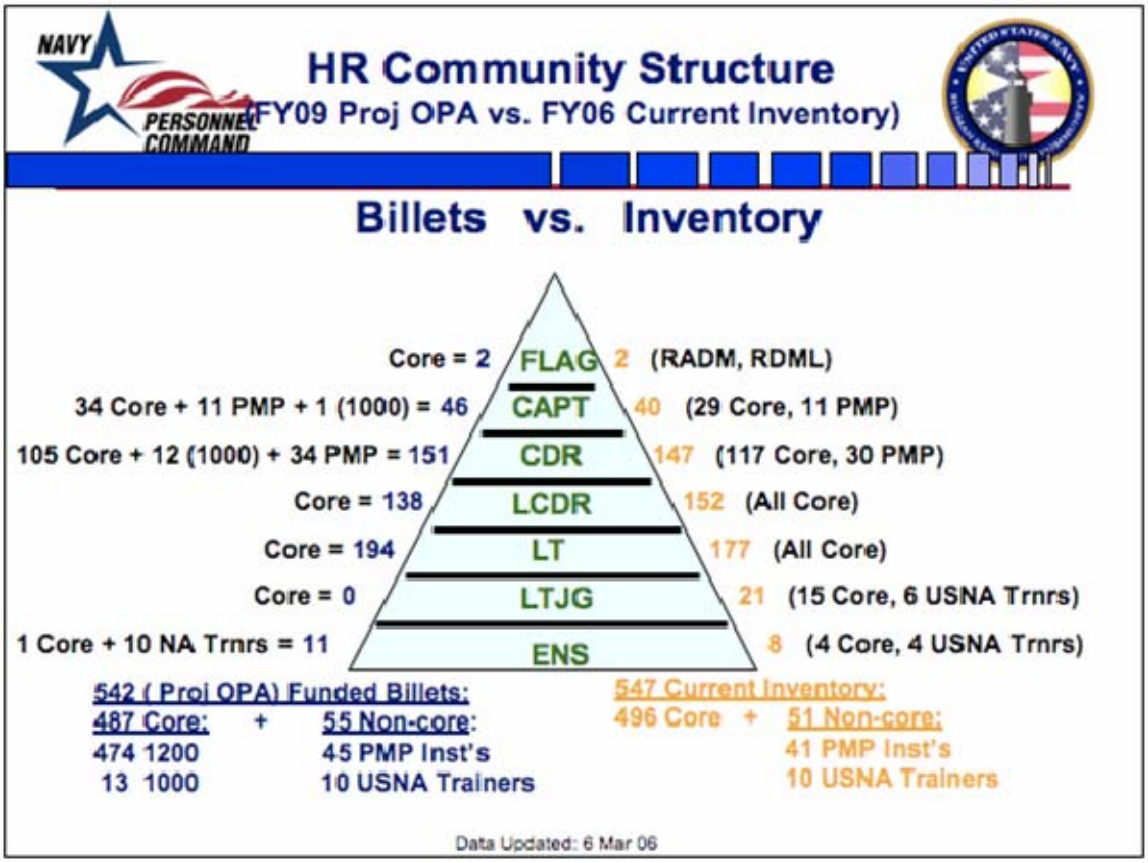


Figure 13. HR Community Structure Billet to Inventory Deltas (From Naval Personnel Command Human Resource Community 2006)

The officer corps personnel system is designed to accommodate large-scale changes to inventory at the company officer level. This is primarily the case since accessing or involuntarily separating officers at this level is fairly simple, though extremely costly. In this way, the system acts similar to a spigot. During times of overages the spigot is adjusted to reduce inventory and vice versa for shortages. It would be very difficult to correct imbalances at the O-4 and above level. Although these changes can be made quite simply, doing so results in officer year groups of varying sizes moving through the system, which in turn creates extreme complexities within the personnel management process.

Grade structures of individual communities can also contribute to mismatches. For example, the inventory of human resource officers at the O-4 level has exceeded

authorizations since the conception of the community. Analysis of the grade structure shows high authorizations for O-3s and O-4s. The senior grades do not have enough authorizations to absorb the junior grades as they get promoted, leading to overages at the O-4 level.

4. Costs Associated with Mismatches and Gaps

There are two types of cost associated with mismatches. They are referred to as hard and soft costs. Hard costs are associated with actual dollar expenditure of acquiring, paying, and training personnel. Soft costs, on the other hand, are more amorphous and difficult to quantify. For instance, soft costs can be associated with low productivity as a result of poor morale or low readiness issues due to slowed retention. More importantly, soft costs lend themselves to positive or negative consequences in hard cost. If the HR community is understaffed relative to authorizations, it will see a dividend in the form of savings. However, if it is overstaffed, then the community will absorb the costs.

When the system is out of balance, as illustrated in Figure 14, the result could have devastating effects in terms of soft cost. For instance, in the HR community an excess of junior officers and a shortage of senior officers will lead to junior personnel filling senior positions. In many cases, this has little effect on mission accomplishment; however, the potential exists for negative consequences when placing junior officers in jobs that require experience and knowledge for proper execution. Accordingly, performance suffers, and morale declines because of lower job satisfaction. The reverse situation has the same effect when senior officers are required to cover the gaps of junior officer responsibilities. In either case, the job is usually filled with an officer meeting less than the desired qualifications. Moreover, if this is unsatisfactory for the gaining command, the incumbent will typically depart and the position is left empty until filled with a qualified officer. This alternative rarely occurs. Most commands will opt for the incumbent officer to extend in order to cover the gap, again resulting in poor morale and low job satisfaction. (Thie et al 2003)

D. PROCESS—OFFICER ASSIGNMENT

The process for assigning Navy Officers to their respective jobs is often referred to as the detailing triangle. It involves three parties: the sailor, detailer, and placement officer. The detailer, on behalf of NPC, typically initiates the process once the sailor's projected rotation date is within a nine-month window. Using the hierarchy of qualifications as the standard, the officer is matched with a billet. Figure 14 illustrates the process in its simplistic form.

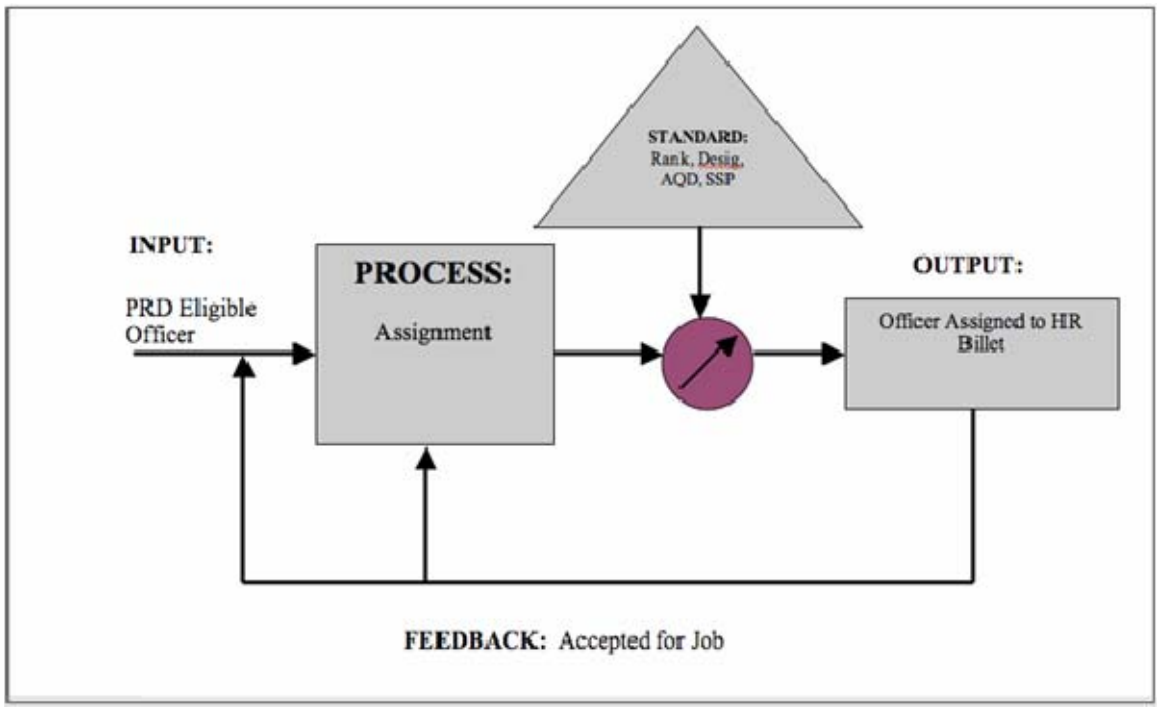


Figure 14. HR Assignment Process (After Simons 2000, 57)

1. The Detailing Triad

The placement officer, acting as the gaining command's advocate, represents the needs of the Navy, while the detailer is responsible for the career needs and desires of the sailor. Often, negotiations among these three parties go awry and result in a compromise from one or two individuals. Nevertheless, this balancing act of priorities is quite complex and subject to supply and demand. If the command needs an officer with certain

unique qualifications, then unfortunately the desires of the sailor may be overlooked to fulfill the needs of the Navy. Likewise, special considerations are made on behalf of the sailor upon which the command may be required to make measurable concessions.

The interaction between detailer and placement officer can place great strain on the system. There are twenty-seven different placement officers who are responsible for more than 200 Navy commands with human resource billets. Strikingly, three detailers and twenty-seven placement officers must negotiate and agree upon the right fit for any sailor who may be HR qualified. What is ironic is the lack of concrete process management that includes input from the SSP code manager. The HR community relies on a single point of contact for management of its four major SSP codes. Strangely, this individual is an O-5 1100 officer. When a billet is proposed through the Officer Assignment Information System (OAIS), it must pass the approval of several stakeholders. Among them is the SSP code manager who documents experience and education, and further routes the proposal for a waiver if needed. This is a critical control point for the utilization rate. If an MSA student graduated from NPS but was not going to a 3130-coded billet, a waiver would be generated on the student's behalf. Otherwise, the placement officer would look for organizational fit of the proposed candidate.

2. Officer Billet Mismatch

There exists a problem in the SSP code management system as it pertains to the detailing process. As stated earlier, the detailer represents the sailor, and the placement officer represents the command. If they agree on an officer proposed for a billet, the question of subspecialty utilization is something of a moot point. This is fine if it is a match; but if faced with competing priorities, then a subspecialty match may not be as important as timeliness and getting the billet filled. The SSP code manager ensures that education and experience subspecialty designations are entered into the officer's manpower record. However, this person is not directly involved in the negotiations that occur between the detailers and placement officers. This underscores the importance placed on subspecialty utilization.

Table 8, shown earlier, highlighted a sample of officer billet mismatches to include disparities in grade, designator, and SSP codes. Analysis of the total number of mismatches in HR-authorized jobs yielded a result that was less than desired. The largest proportion of mismatches came from SSP codes and designators. In fact, there were 217 total instances of mismatched billets, as shown in Figure 15.

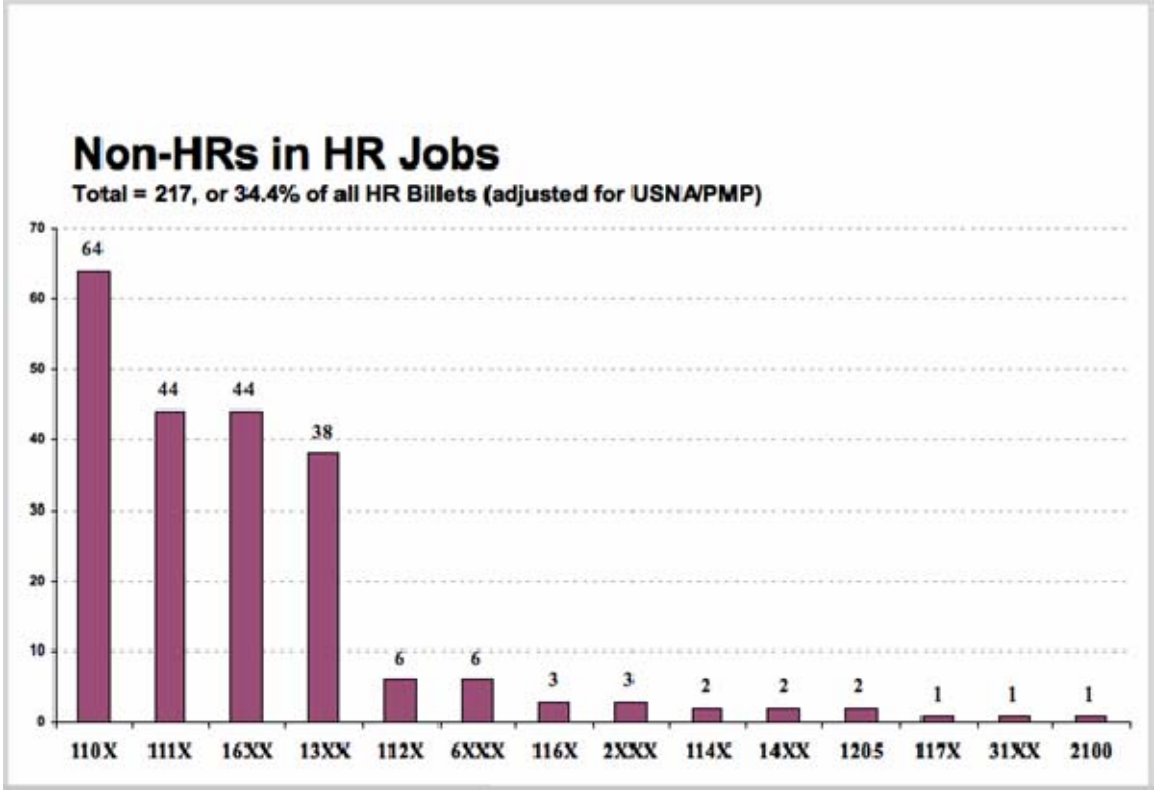


Figure 15. Incumbent Officer to Billet Mismatches (From Naval Personnel Command PERS 452 2007)

More alarming is the billet-to-officer mismatch as a result only of SSP code disparity. Analysis of this point required extraction of the current HR billet list and identification of only those jobs requiring a specific SSP code. The result was a list of fifty-two HR occupations out of 744 requiring a SSP code. Next, an accounting of incumbents and their designated SSP code was compared to the scrubbed list. Finally, a qualifier was inserted to identify officers who had a SSP code suffix of either Q or R. These two suffixes, as depicted in Table 8, indicated mastery of the KSA through

experience only or mastery via formal education and experience combined. After careful analysis, the outcomes indicated a significant mismatch of qualified officers to SSP coded requisite billets. Table 10 illustrates this point.

Of the fifty-two SSP-coded HR occupations, only nine officers are matched accordingly. These are the nine highlighted in Table 9. Further, two of these officers are overqualified based on a SSP code suffix of Q or R. Thus, the HR community has a seventeen-percent match rate based on SSP code. If these codes necessitate the need or acquired KSA associated with a particular job or individual, then why is there evidence to suggest a lack of importance for matching the "right person for the right job?"

Lastly, there is another contributing factor to officer billet mismatches to consider. Through this analysis and confirmation from various subject matter experts, some billets do not have the properly coded subspecialty codes required to render a good job fit. In some instances, there exists no SSP code with respect to requirements. This issue must be resolved via a Billet Change Requests using the Total Force Manpower Management System. Consequently, this process is arduous and moves at a snails pace. The de facto result is to ignore the requirement, and a scramble to fill vacancies with bodies becomes the modus operandi.

3. Control Levers for Officer Assignment Process

Referring to Figure 14, the inputs to the assignment process are established based on career progression and individual projected rotation dates. This process is owned and managed entirely by Naval Personnel Command. While the HR community manager has informal input and limited control of the process, there exists no formal authorized lever of control to ensure the HR assignments system is stable.

Table 10. HRO Billet SSP Code Mismatch (After Naval Personnel Command PERS 452 2007)

BTITLE	B.SSC	SSC1		Match due to Q/R Code
BUDGET/M&P ANALYST/ADDU TO 10340/45997	3211P	3110P	No Match	
BUDGET/OFFICE DIRECTOR	3111Q	3000Q	No Match	
BUDGET/DIR FIN MGMT	3111P	3110P	No Match	
BUDGET/RATE ANALYSIS & FORECAST OFFICER	3111P	3000P	No Match	
ASST FOR RESERVE MATTERS NCBR/OP92R	3111P	3111Q	No Match	x
NAVRES ANALYST	3111P	3111S	No Match	
OPERATIONS SUPPORT OFFICER	3130S	3111Q	No Match	
MGMT INFO SYS/REQ INTEGRATION	6201P		No Match	
MGT INFO SYS/CIO	6201S	6203Q	No Match	
MGT INFO SYS/ INFO SYS CUST ADV	6201P	6201S	No Match	
MGT INFO SYS/CIO DIR ADDU FM 95700/63102	6201Q	6201Q	Match	
MGT INFO SYS/(N0956E)	6201P	6203P	No Match	
MGT INFO SYS/DEP CIO FOR NMCI STRATEGY	6201P	5700S	No Match	
ADMIN/ADMIN DIV HEAD	3111P	3110P	No Match	
PERS DIST ENL/DIR SHORE PLACEMENT DEPT	3130S		No Match	
ED TRA PLN GEN/DIRECTOR OF PROGRAMS	3211P	3212Q	No Match	
INST COMPUTER SCIENCE/PMP	6203D	5203P	No Match	
INST SOCSCI/HISTORY/PMP	4302D	5203Q	No Match	
INST PHYS SCI/ASSOC CHRMN CHEM/PMP	4201D	4201P	No Match	
INST ELECTRICAL ENG./PMP	5300D	5000P	No Match	
INST MECHANICAL ENG./PMP	5600D		No Match	
INSTR OCEAN/MARINE ENG/PMP	5600D	3000P	No Match	
INST NAV SCI/INST LEAD & LAW/PMP	4500D	2000P	No Match	
TRAINING/ OPERATIONS ANALYSIS (N513)	3210S		No Match	
TPU/DEPT HD	3210S	3130R	No Match	
MPWR PLN/N1J ASST FOR JCS MPR PERS	3130S	3130Q	No Match	x
MPWR PLN/ RES DEPUTY ADDU TO 10650/00011	3130P	2000P	No Match	
MPWR PLN/JOINT MPWR RES JTD	3130S	3000P	No Match	
MPWR PLN/RESERVE MANPOWER	3210S	3130P	No Match	
MPWR PLN/SHORE MANPOWER ANALYST	3130R		No Match	
MPWR PLN/OPS ANALYST	3211P	3150S	No Match	
MPWR PLN/SPEC ASST/MPWR DEV/EEO	3130P	3130R	No Match	x
MPWR PLN/N951D HD MANPOWER POLICY BRANCH	3130S		No Match	
MPWR PLN/N122BF RES/ADDU TO 12226/45997	3130S	6301S	No Match	
PERS RSCH/SR HPT	3111Q	3000P	No Match	
PERS PLN/HEAD TAR PLANS	3211P	5203Q	No Match	
PERS PLN/PERS PERF OFF/SCTN HEAD	3130S	2000P	No Match	
PERS PLAN/ASST IRR FORCE MGMT	6201S		No Match	
PERS PLN/DEPT HEAD	3130P		No Match	
PERS P&P CHIEF/ DCOS MANPOWER	3130Q	3130Q	Match	
PERS P&P DIR/BR HD	3130S	3000P	No Match	
PERS P&P DIR/BR HD	3130S	3130Q	No Match	x
PERS P&P DIR/N951C HD PERS POLICY BR	3130S	3000Q	No Match	
STF PERS/DEP DCOS (N1B)	3130Q	2000P	No Match	
STF ADMIN/ACOS MNPWR PERS & ADMIN	3130R	3111Q	No Match	
CDR/CO SHR ACT/ADU FM 50020/68639 PSAPAC	6201P		No Match	
XO SHR ACT	3150S	3000P	No Match	
XO SHR ACT	3150S		No Match	
ADP SYS DIR	6201P	6201Q	No Match	x
ADP PLANS/CHIEF TECH OFFICER	6201S	2101P	No Match	
A/DIR RESERVE COMP 842100A01R01BUDGET	3111P	3111Q	No Match	x
ASST DIR MANPOWER RQMTS PRG 846300A01R05	3130S	3130Q	No Match	x

E. PROCESS—PROMOTION

1. Promotion Limits

The promotion of all military officers is closely governed by regulations codified in USC Title 10 and delineated in the Defense Officer Personnel Management Act (DOPMA). DOPMA regulates annual officer end strength and ensures proportional distribution among the services of the armed forces. DOPMA-affected grades are shown in Table 11.

Table 11. DOPMA Ceilings (After General Military Law 2002)

Number of Commissioned Officers	LCDR		CDR		CAPT	
39,000	8,735	22.4%	5,681	14.6%	2,437	6.2%
42,000	9,203	21.9%	5,902	14.1%	2,544	6.1%
45,000	9,671	21.5%	6,123	13.6%	2,651	5.9%
48,000	10,139	21.1%	6,343	13.2%	2,758	5.7%
51,000	10,606	20.8%	6,561	12.9%	2,864	5.6%
54,000	11,074	20.5%	6,782	12.6%	2,971	5.5%
57,000	11,541	20.2%	7,002	12.3%	3,078	5.4%

These regulations place near-insurmountable limitations on shaping of the HR community as a whole. The result is a very difficult process to control the output levels of the promotion system from within. Figure 16 shows control of the output is rendered by a Board Precept governed by NPC.

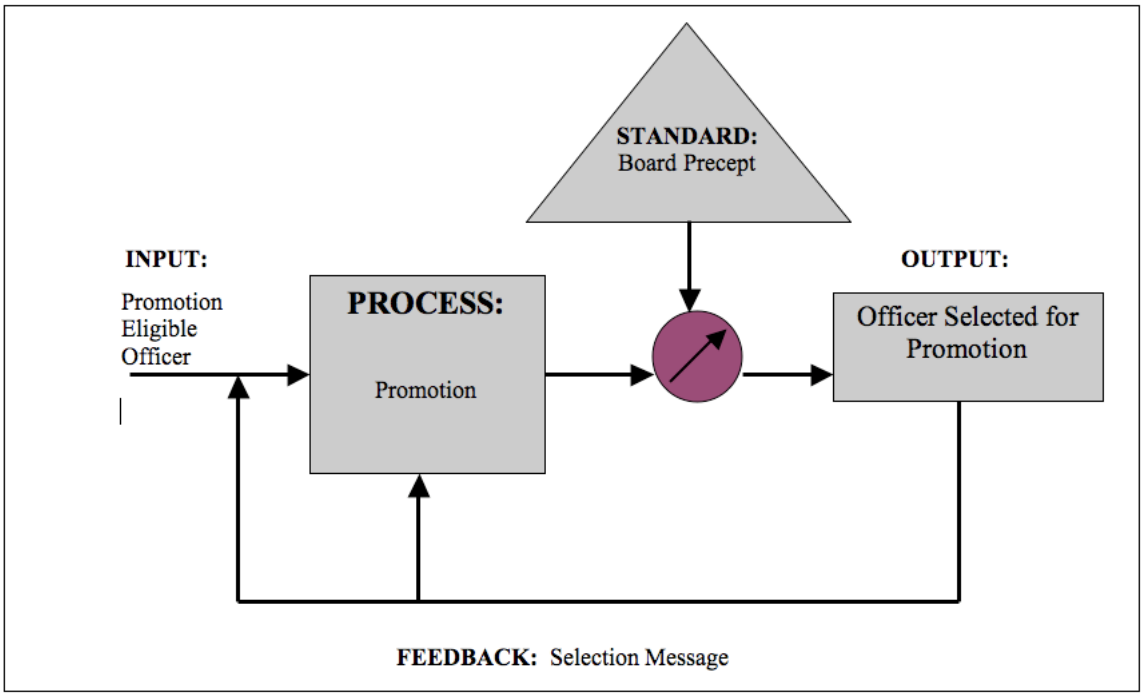


Figure 16. HR Promotion Process (From Simons 2000, 57)

The Secretary of the Navy appoints a board president and provides explicit guidance on board conduct. This document is referred to as the board precept and usually focuses on a single concept—promotion based on operational excellence. This is an unusual problem for HROs, since most of the community's billets are non-operational. The problem is further complicated, in that many of the board members screening candidates for promotion are not HR officers and in some cases are far removed from the responsibilities respective of a 1200 officer. This has a direct effect on the desired output and can have implications with regard to overages or shortages at various paygrades.

2. Process Flow

Since federal law governs output, this leaves DoD with control of input through policy guidelines pertaining to time-in-grade. This system renders an internal labor market where workforce planning is further complicated by the need to grow executive management from within. For example, a HR-qualified Captain who has twenty-seven

years of service was hired in 1980 and can only be replaced by another officer progressing up the promotion ladder. This system lacks flexibility and contains the potential for too much variability within the grade structure. Where shortages occur in a given paygrade, the HR community does not have the ability to hire expertise from outside its internal labor pool. The alternative is to use the DoD-allowed deviation of ten percent for promotion rates. This however, may not solve the issue of personnel quality and expertise.

3. Control Levers for Promotion Process

As depicted in Figure 16, the system for promotion is rigidly controlled by external factors. In fact, the only lever of control in the model is from the standard or benchmark in the form of the board precept. The HR community manager, similar to the lever of control for assignment, has limited influence on the precept. Moreover, the membership of every promotion board is confidential to thwart undue influence on the results. Again, the HR community manager's ability to affect change and shore up billet mismatches through promotion is minimal.

F. PROCESS—EDUCATION

As mentioned previously, a Naval Postgraduate School Masters degree program is effective both in cost savings and providing appropriate knowledge, skills and abilities necessary for most HR occupations in the Navy.

1. Education Skill Requirements (ESR)

N1 is the curriculum sponsor for most of the HR-related competencies. Further, N1 controls the curriculum review process, determines the Education Skill Requirements, provides funding for research and development and determines the student quotas to fill at NPS. The overarching theme here is that N1 has several mechanisms of control within the education process. Moreover, the community manager works at the behest of N1 and by proxy also has the same levers of control. This is illustrated in Figure 17.

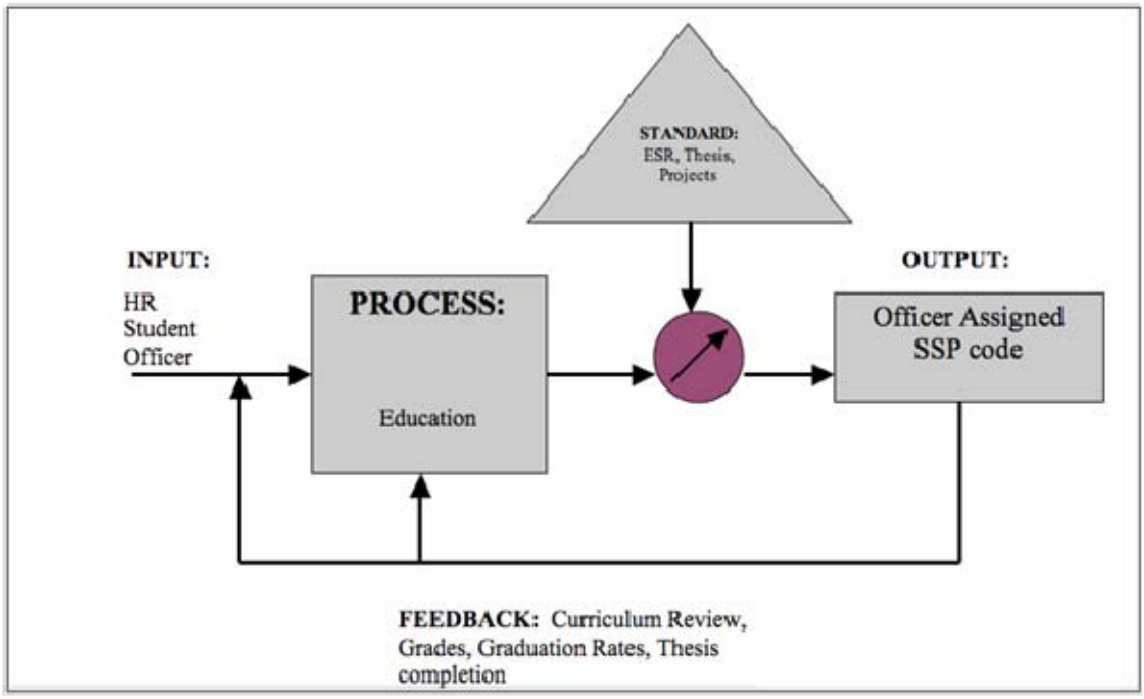


Figure 17. HR Education Process (After Simons 2000, 57)

N1 controls the standards by providing written guidelines for the ESR. This process is accomplished through periodic curriculum reviews and interactions with faculty members at NPS. By participating annually in the NPS quota plan, N1 also has input to the number and designator mix of future students. By proxy, the HR community manager has a significant amount of control over the education process. The only external factor and challenge within the system for the HR manager is the NPS placement officer. This individual controls the standard by which available quotas for NPS are granted. The control lever here comes in the form of an Academic Profile Code (APC). This is a preset code based on an individual's previous academic success. Minimum APC are established based on the rigors of individual curriculums. If an HR officer has the required APC to gain entrance to NPS, a quota is granted and the HR community can add another qualified 1200 to its fold.

2. Control Levers for Education Process

Unlike the previous processes, the HR community manager has a considerable amount of control within the system. Although the community manager may not have approval authority of faculty hiring at NPS or control of the quality of students attending, the community manager can effectively determine the output of qualified HROs who can, in turn, be inputs into the assignment process. Accordingly, these qualified officers can begin to fill mismatches identified in the system.

G. CONTROL SYSTEM SUMMARY

The process used to build human resource officers in support of enterprise management has three major components: promotion, assignment, and education. These processes do not continuously act upon the HR personnel; rather, the officers interact with these processes at multiple times during their careers. From the perspective of a typical twenty-year career, a 3130Q coded HR Captain must navigate through several wickets, including passing through the education process once, participating in the assignment process at least ten times (gaining valuable HR experience), and successfully screening through at least three promotion boards. This is an extremely complex system that requires strict adherence to timing. Nevertheless, it is necessary in order to facilitate an effective succession management plan.

This chapter defined the processes, structures, and challenges that affect the qualification of human resource officers. With the processes, inputs, and outputs clearly identified it is easier for the community manager to visualize where effective change could be made within the system. The result is improved workforce planning within the HR community.

The following chapter defines the role of management and business education in the Navy's overall strategy. Applying levers of control and tailoring incentives to behavior will achieve the desired effect sought after by the HR community manager.

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IV. BUSINESS MINDSET FOR A 21ST CENTURY NAVY

A. INTRODUCTION

> While it is certainly true that many intended strategies are ill conceived, I believe that the problem often lies one step beyond, in the distinction we make between formulation and implementation, the common assumption that thought must be independent of [and precede] action. Sure, people could be smarter, but not only by conceiving more clever strategies. Sometimes they can be smarter by allowing their strategies to develop gradually through the organization's actions and experiences. Smart strategists appreciate that they cannot always be smart enough to think through everything in advance. (Mintzberg 1989, 30-31)

This chapter builds upon the managerial control system structure developed in the previous section. This is accomplished by broadly defining the strategic environment that the control system must ultimately operate within. Through comprehensive analysis of the strategy, the 1200 community manager can ensure policy changes made to alter the control system are in constant alignment with the Navy's overall strategy, thereby establishing value creation and the competitive advantage needed to sustain a successful enterprise management process.

1. Current DoD Direction

Apropos of the previous Mintzberg quote, the Department of Defense (DoD) has adopted a strategy for the 21st century that reflects the ever-present need to constantly adapt to an extremely dynamic environment. "We are facing an unprecedented challenge to modernize our forces in a world that demands more efficient as well as more effective acquisition. To meet that challenge, we are engaged in the Revolution in Business Affairs." (Gansler 1999) Further, in 1997, the National Defense Panel (NDP) urged Congress to adopt the process of transforming the national defense. They believed there would be a dramatic shift in tactics of those who oppose U.S. polices at home and abroad, often with asymmetrical responses. (National Defense Panel 1997) In today's environment, the United States Armed Forces can expect to be called upon to respond

nationally and internationally to a broad spectrum of tensions, crises, and conflicts. American Service men and women have had to deploy over great distances, often rapidly and unexpectedly, and for indeterminate periods, either in support of U.S. national interests or strengthening international peace and security arrangements. Engaging in combat operations will remain the most demanding task U.S. forces must face. Hence, this new post-Cold-War environment has deemed it necessary to adopt a new management theory to force shaping and international security—"transformation."

Despite the resignation of former Secretary of Defense Donald Rumsfeld, many of his change initiatives continue to live on today throughout the DoD. His transformational leadership theory had such a great impact on all facets of operations within the services that it is doubtful any of these changes will ever see their end. Furthermore, in a threat environment that changes daily, perhaps this style of management is appropriate. It certainly cannot be argued that it fosters innovation and efficiency, qualities all Fortune 500 companies seek to obtain. More importantly, as Mintzberg noted, it is easily adaptable and purposely streamlined to enable rapid changes of policies in order to meet current strategic demands.

The trend toward joint and multinational operations will see U.S. personnel working ever more closely alongside a wide variety of coalition allies, as well as representatives of civilian government and non-governmental organizations (NGO). One of the key operational drivers for American forces in the next 5-10 years will be the advent of new and more sophisticated technology, including digitization of the battlefield and network-centric capability, which is expected to increase the quantity and flow of information. This transformation will mean that personnel will have to operate within and exploit a future battleground that is even more complex than today's theater of operations. The caliber and resilience of these soldiers, sailors, airmen, and Marines will remain instrumental to achieving success in operations. U.S. forces will need to be well trained, motivated, prepared, and supported. This requires upgrades in many legacy structures and systems; chief among them is a manpower system structure that will provide the right person, at the right time, in the right location to execute the mission.

2. Current Navy Direction

"Our security will require transforming the military…a military that must be ready to strike at a moment's notice in any dark corner of the world." (Bush 2002) In the recent decade, the Navy has embraced a paradigm shift of its strategic operations throughout the world. Although the demands of the Global War on Terrorism are high, the Navy has achieved considerable success, meeting the challenges required by deploying combat-ready forces anywhere around the globe. Through its efficient use of sea-basing, the Navy enables the speedy reaction of combat-ready forces to deploy at a moments notice. This "Global Concept of Operation" has transformed the Navy of today to a forward-thinking fighting force that underscores its tremendous abilities to "…capitalize on technology and operational innovation." (United States Department of the Navy 2007) For instance, new concepts of warfare have been developed and established to meet the rapidly changing threats of the 21st century:

> To support the forward deterrent and rapid response requirements of today and tomorrow, new organizational constructs such as the Carrier Strike Group (CSG) and Expeditionary Strike Group (ESG) are being instituted as key components of the global integrated naval force. Organizing naval deployments around ESGs and CSGs will increase the number of independently employable naval strike groups that provide Regional Combatant Commanders with greater operational freedom and scalable joint response options. In the far term, forward naval operating forces will be organized into an Expeditionary Strike Force (ESF), elements of which will train together to ensure readiness for a wide range of contingencies. The ESF will consist of CSGs, ESGs, and Maritime Prepositioning Groups (MPGs). The ESF can be enhanced with the introduction of forcible entry-capable Marine Expeditionary Brigades in combination with in-theater assets. The ESF will bring complementary capabilities to Air Force Air and Space Expeditionary Task Forces, Army Future Forces, and Joint Special Operations Forces for integrated joint operations across the spectrum of conflict. (United States Department of the Navy 2007)

Needless to say, the manpower requirement to drive this concept is critical to mission success. Hence, the prevalence of business education and experience are the precursors to the "Global Concept of Operations."

B. NAVY MANPOWER STRATEGY

1. Sea Warrior

As previously stated, the Navy of tomorrow will require a force that is extremely flexible, quick to respond and highly skilled in the concepts, technologies and innovations of the modern world. The Chief of Naval Operations (CNO), Admiral (ADM) Mike Mullen, outlined in his 2007 mission statement:

> The strategic landscape is evolving and our Navy is being called upon to provide very unique capabilities to multiple regions around the globe. Current events in the Middle East, Venezuela, and North Korea highlight the volatile strategic landscape we face both now and in the future. These developments demand that our Navy remains a preeminent force for dissuading and deterring aggression while providing regional security and global stability. (Mullen 2007)

The vehicle used to deliver on these manpower requirements is Sea Warrior, a business enterprise concept implemented by the previous CNO, ADM Vern Clark. Sea Warrior was the Navy's human resource component to its overarching strategic vision. It is a business process that attempts to maximize human capital at the precise time, while meeting the expectations and desires of the end user and the sailor. This is accomplished through a complex system wherein the sailor's knowledge, skills, and abilities are matched accordingly to the right job, platform, and mission.

Realizing the need to accomplish a broader, more complex mission in the future, Navy leadership recognizes the need to develop a single integrated business process that places Sailors in the right jobs, in the right location, at the right time, thereby maximizing Fleet readiness. This will have to be done with a smaller force that is better trained, educated, and motivated to perform critical tasks to meet 21st century mission requirements. The development of Sea Warrior initiatives is focused on accelerated capturing of requirements, rapid development of new prototype processes, and conducting timely and effective pilot programs in the Fleet to validate new approaches.

Further refinement of new Sea Warrior processes will occur in an iterative, spiral-development-fashion, taking full advantage of feedback from the Fleet. (United States Department of the Navy 2007)

Naval Personnel Command has similarly aligned its strategic goals with that of the CNO's priorities. Not surprising, they have assessed the labor market for an all-volunteer force and have concluded that an aggressive approach with a delicate balance of strategic goals will yield the desired results. The following six goals are their roadmap.

MPTE's Six Strategic Goals:

- Capability-Driven Manpower: Navy workforce requirements will be based on current and future joint warfighting needs.
- Competency-Based Workforce: Navy work and workforce will be defined by the knowledge, skills and abilities that enable mission accomplishment.
- Effective Total Force: Total Force—active and reserve military, civilians and contractors—will be viewed as one, integrated team that supports required warfighting capability.
- Diverse: Culture of inclusion will encourage and enable all Sailors and civilians to reach their full professional and personal potential.
- Competitive in Marketplace: Revised and updated policies and practices will deliver necessary and comprehensive pay and compensation structures. Agile and Cost-Efficient: Additional capability will be delivered from a smaller, yet increasingly talented, educated and integrated workforce. (Naval Personnel Command, 2007)

In order to successfully implement this process, a cadre of Naval officers, skilled in financial resource constraint, federal budget process, job analysis, modeling and simulation, is required to see this to fruition. Needless to say, these are all classic business education concepts.

2. Recapitalizing the Fleet

Anyone who has taken a fair amount of business courses realizes that recapitalizing one's work force is a daunting task whether on the battlefield or factory floor. It requires streamlining processes, innovation, substituting technology for manpower, and creating incentives to motivate and cultivate an atmosphere of constant progress. This is often referred to as "kaizen," the Japanese concept of constant improvement. Following World War II, American occupying forces in Japan fostered in a new management concept that focused on process improvement, mainly to jumpstart the moribund Japanese industrial system. Eventually, this gave rise to the kaizen revolution and the concept was quickly adopted by Japan's leading industrial superpowers of today—Toyota and Sony. Likewise, the CNO has identified a need to humanize the U.S. Navy's work place and nurture it to a level of constant progression through the use of economic drivers aimed at influencing organizational behavior. Such incentives can be seen in experimental programs like "On Ramp, Off Ramp," an initiative designed to increase retention amongst female Surface Warfare Officers by affording them the opportunity to detach from the Navy labor market to attend to family needs, education or personal desires without harm to their career should they return. Not so strikingly, these are economic themes often taught formally through business education.

3. Business Skill Sets

So critical is the need for the Navy to transform its current business model that in 2001 research was conducted to explore the possibility of a Center for Navy Business Excellence. The study concluded a desperate need to develop a formalized education program that would afford senior Naval leadership the necessary skill sets required to transform the Navy of today into the Navy of tomorrow.

> In a partnership with the U.S. Naval Postgraduate School initiated in the summer of 2002, ELO (The Executive Learning Officer) began laying the foundation for what will become known as, "FLAG University," a combination of residential- and network-based learning experiences designed to ensure that every FLAG and SES in the Department of the Navy achieves a baseline level of competency in five critical areas: Financial Management, Information Technology/Information Security,

Operations, Leadership, and Transformation Management. (Executive Development, United States Department of the Navy 2007)

Further, this formalized education is designed to equip senior leaders with knowledge in strategic planning and execution, financial management, innovation, information management and change management.

C. FORMALIZED EDUCATION (MBA, MS)

The Masters of Business in Administration (MBA) and subsequent Masters of Science in Management (MS) saw its conception during the height of the American Industrial Revolution. Companies throughout the country sought new ways to leverage a scientific method or approach to management. Soon, various schools of thought emerged from many industrialized nations of the world. Eventually, the MBA model took form at the turn of the 20th century and quickly became the perennial contender and authority for business acumen.

MBA and MS (management) programs function as vehicles of delivery for critical thinking and analysis. They provide students with the ability to quantify any management situation and deliver optimum decisions from which to choose. Moreover, they expose students to facets of various business and organizational disciplines including economics, supply chain management, information technology management, operational research, labor economics, econometrics and financial management. These skills are highly sought after and needed to lead any organization through success.

1. Navy Applicability

"The Navy is not a business…but it is very business-like." (Hatch 2007)

To provide credence to the quote above, this chapter has outlined specifically how the Navy operates similar to that of many corporations. Although the business of the Navy is organized warfare to reach an established political end, it goes without saying the daily operations and administration of the organization warrant specialized business skills like those presented in this chapter. Without them, the Navy risks grave danger to its

ability to maximize resources and shape a fighting force capable of sustaining U.S. national and foreign policy. One can now see the leap from boardroom to the battlefield is almost non-existent. The relationship and communication between warrior and combat support must be in concert to effectively employ a fighting force required to police U.S. global interest. Failure at either end could lend itself to complete disaster. For the same reasons the Navy invests time and money to train its warriors for tomorrow's battles, it is imperative it invests an equal amount in the education of its vanguards of resources and policy. There is no better way to accomplish this than to have a cadre of human resource officers highly skilled, but more importantly, educated in the disciplines of manpower analysis, operational research, human systems integration and financial management. Naval Postgraduate School (NPS) is the perfect venue to leverage this resource. In less than the traditional time these degrees could be acquired at a civilian university, the NPS student is also afforded the opportunity to receive Joint Professional Military Education (JPME), and exposure to the complexities of the processes within DoD.

D. SUMMARY

Careful analysis of the strategic goals and their subsequent components provides better clarity in understanding the prevailing goal to have every 1200 billet filled with a properly experienced and qualified officer. The daunting task of aligning KSA and incentives to provoke behavioral change apropos of the Navy's strategy is difficult. Nevertheless, every opportunity should be made to establish a system with processes that are conducive to junior field grade and company officers in order to receive their business education. This is necessary to manage the community at its highest levels and assuring proper alignment of overarching goals to human capital strategy. Admiral Mike Mullen aptly noted, "Knowledge and imagination are the keys to dealing with the challenges of this new era, and here at NPS those keys are forged." (Mullen 2007)

V. SUMMARY CONCLUSION AND RECOMMENDATIONS

A. SUMMARY

> The HR Community must continue to evolve, adapt and mature as we seek to fully support the warfighting enterprises and the MPTE Vision of a Navy MPTE system that targets and attracts the right talent, then trains, develops and equips and motivates these men and women throughout a career of Navy service. (Masso 2007)

The Deputy Chief of Naval Personnel, Rear Admiral Edward Masso's vision of the HR community and its vital responsibility to the fleet is supported by an analysis and assessment of the stakeholder's control detailed in this research—particularly with regard to the HRO's succession management plan. The process to build 1200 officers into a cadre of human capital management experts is complex and challenging. This research examined the promotion, assignment, and education processes and an array of organizations responsible for each step of control implementation within the system. Several strides have been made to create sustained value within the HR community as it pertains to the Navy's human capital strategy. However, the absence of a clear succession management plan has led to gaps and billet mismatches within the system.

The HR community utilizes four distinct SSP codes that comprise what are believed to be the core competencies for Navy human capital management. The four SSP codes are Manpower Systems Analysis, Operational Analysis, Human Systems Integration and Financial Management, as examined in this research. Analysis of the assignment system revealed significant gaps and mismatches within the officer-to-billet process. The research shows 217 instances of mismatched occupations due to grade, designator, or SSP codes, indicating a low priority for using these metrics as guidance for proper job placement. Further analysis showed a match rate of 17 percent of SSP-coded billets to qualified officers. These challenges have placed considerable strain on the community's ability to remove traditional stereotypes as administrators and market itself as the single subject matter expert for human capital management and workforce planning. Instead, the community is plagued with a waning SSP code assignment process

that is overtaxed by a limited number of qualified personnel and an increased demand of priorities from end users. The result is a rush to fill vacancies dictated by end-users' timeliness that leads to gaps and mismatched billets. As the community continues to struggle with its own workforce plan, its hopes of creating value and establishing itself as a strategic partner within the Navy is merely rhetoric.

This research further identified critical control points whereby the HR community manager could leverage considerable change within the system in order to gain the desired effects of a stable succession-management plan. These control points were found through analysis of inputs, processes, and outputs pertaining to an HR officer's promotion, assignment, and education continuum. This analysis showed the HR community manager (OCM) could influence system outputs through the education component illustrated in Figure 17 of Chapter III. Through critical analysis of the Education Skill Requirements and interaction with faculty at NPS, the HR community manager can ensure alignment and acquisition of knowledge, skills, and abilities requisite of the needs established by the warfighting enterprises. Moreover community managers, working with the NPS placement officer, would ensure a bona fide mix of quality students was given the opportunity to acquire these critical HR competencies.

B. CONCLUSIONS AND RECOMMENDATIONS

1. What is the Strategic Goal of the Human Resource Community?

a. Conclusion

The HR community is the Navy's cadre of military human resource professionals dedicated to an array of personnel management and workforce planning that is designed to recruit, train, and maintain a properly shaped total force prepared to meet evolving 21st century combat requirements. This overarching strategy is realized through formal education, training, and repeated tours in the MPTE enterprise. The 1200 community is poised to deliver the Navy's foremost experts in human capital management capable of analyzing, shaping, and integrating an optimized total force for

combat readiness. Therefore, the HR community's goal is to ensure that experienced and educated officers are utilized in HR positions throughout the Navy. (Naval Personnel Command Human Resource Community 2006)

In order to meet the manpower and personnel component of the Navy's maritime strategy, the HR community must strive to educate and train its members, ensuring it is always in proper alignment with the objectives of the warfighting enterprises. This requires vigor, discipline, and constant introspection of the community coupled with a knowledge-management system similar to that outlined in this thesis. Through continued education of the community's core competencies, HROs can expect to create value unrivaled by any peer competitor with regard to force shaping and personnel management.

b. Recommendation

Send human resource officers to Navy Postgraduate School and develop a career-learning continuum offered through a human resource center of excellence. This idea could provide education, training, and experience to junior, midlevel, and executive HROs. It is further recommended that an HR student develop an optimization matrix, perhaps a Markov model, to determine its steady state manpower needs and compute the predicted probability of graduates. Once this is done, have the officer detailed to PERS4. This would provide concrete manpower goals and targets for the community.

2. What Management/Internal Control System Exists to Produce Senior Human Resource Officers with Human Capital Management Education, Training, and Practical Experience?

a. Conclusion

As outlined in Chapter III, the process to educate and train human resource officers with the critical knowledge, skills, and abilities associated with human capital management is complex and challenging. The process itself has three main components: promotion, assignment, and education. A systems analysis revealed several critical control points referred to as control levers. These levers illustrate where control

of system outputs resides and how they can be altered toward a desired outcome. Analysis further revealed the HR community manager's limited influence on standards within the control system. In fact, the only true accessible component for the community manager was through education. Assignment provided limited access for change due to NPC's ownership of the control system process. Still, even more limited access was revealed during an analysis of the promotion process. This component is tightly governed by federal policy codified in USC Title 10.

b. Recommendation

The HR community manager should develop an education-focused succession-management plan that combines iterative successive experience tours. This, combined with the earlier mentioned SSP coded core competencies, will set HR officers on a path for change and better job fit. The HR community manager can further invoke change through a more robust thesis project requirement. Also, early identification of PCS orders and an internship to the officer's gaining command could be conducted in alignment with emergent requirements in support of the Navy's Human Capital Strategy. This idea would provide real-world applicability to the student and the gaining command in order to help sharpen the HRO's skills that may be modeled after the existing mandatory requirement for OA graduates. Guidance in developing a similar program for MSA, FM, and HSI could be coordinated with the Chair of Operations Research at NPS. An internship would cause an increase in the student account and waivers could be granted to URL officers whose operational commitments may supersede the need for an internship.

3. How does the MPT&E System Align with Navy Strategic Goals?

a. Conclusion

A combination of better control implementation and tailored incentives would align the HR qualification process to support the Navy's overall strategic goals. As mentioned earlier, the CNO needs human capital managers who can make sound

decisions when examining reduced manning initiatives within fiscally constrained resources. HROs provide the necessary human capital acumen to effectively manage this task. Every opportunity should be made to educate, promote, and assign these officers to positions that continuously build and develop these skills in support of an enterprise management strategy.

b. Recommendation

The OCM should ensure HR-drafted inputs are provided to the board precept, since this is the only accessible promotion lever of control. These precepts should reflect the Navy's desire to promote officers with human capital management competencies. The president of the board should direct members to look for SSP codes, significant experience, and continued education in the HR core competencies when considering human resource promotions.

> The compensation 'system' of any organization must work to advance the goals of the organization to attain the workforce it needs to be successful. And, as does any compensation system, the military provides manpower and personnel managers with the primary set of tools available to align and balance the skill mix, quality, and experience levels of the force.
>
> Busch 2006)

Combining the increased probability of promotion with monetary incentives will create significant demand for HR SSP-coded qualifications. Additionally, an incentive program similar to the current Assignment Incentive Pay program should be implemented to greatly increase demand for the above-mentioned qualifications.

C. POTENTIAL FOR FURTHER RESEARCH

Through research of this complex human resource qualification process, several additional issues emerged for further analysis:

- Examine the feasibility of an HR community structure that follows the Supply Corps model.

- Examine the similarities and differences of human capital management in other branches of service.
- Examine the effectiveness of HROs' performance after obtaining NPS SSP codes, using a standard performance-measurement tool.

Those who stay true to the fundamentals outlined in this thesis even in times of great challenge and opposition will accumulate the momentum that creates revolutionary breakthrough. Those who do not, and revel in stagnation, will fall into reactionary lurching about and miss an opportunity to create sustained value within the Human Resource community.

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